



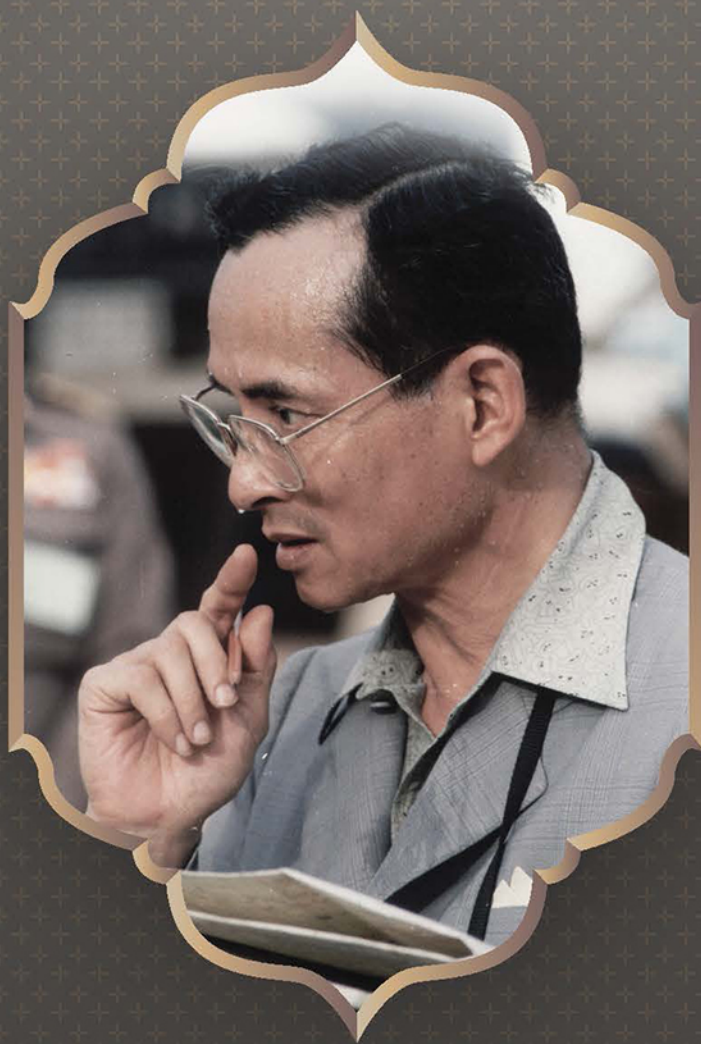
true

Annual Report 2016

Together Stronger

**IF YOU WANT
TO GO FAST, GO
ALONE. IF YOU
WANT TO GO FAR,
GO TOGETHER.**

- African Proverb -



**In Memoriam of His Majesty
King Bhumibol Adulyadej**

1927 – 2016

**Executives and employees of
True Corporation Public Company Limited**

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GLOSSARY AND ACRONYMS

GLOSSARY AND ACRONYMS

AC	Access charge
ADC	Advanced Datanetwork Communications Company Limited
Agreement for Joint Venture	Agreement for Joint Venture in the Membership Television between MCOT (the Mass Communications Organization of Thailand, at that time) and TrueVisions Cable (Thai Cable Vision Plc., at that time) dated June 6, 1994, with subsequent additions and/or amendments, or the Agreement for Joint Venture in the Membership Television between MCOT (the Mass Communications Organization of Thailand, at that time) and TrueVisions (International Broadcasting Corporation Plc., at that time) dated April 17, 1989, with subsequent additions and/or amendments, whichever applies in the relevant context.
Agreement to Operate	Agreement to Operate and Provide Services under the Digital PCN 1800 System between CAT Telecom (Communication Authority of Thailand, at that time) and TrueMove (Wireless Communication Service, at that time) dated June 20, 1996.
AP&J	AP&J Production Company Limited
AWC	Asia Wireless Communication Company Limited
Beboyd	BeboydCg Co., Ltd.
BEC TERO TVS	BEC-Tero True Visions Company Limited
BFKT	BFKT (Thailand) Limited
BITCO	Bangkok Inter Teletech Public Company Limited
BMA	Bangkok Metropolitan Area
BPL or EPL	Barclays Premier League (previously English Premier League)
Broadcasting Committee	Broadcasting Committee of the NBTC
CAT or CAT Telecom	CAT Telecom Public Company Limited

CDR	Call Detail Record
DIF	Digital Telecommunications Infrastructure Fund
China Mobile	China Mobile International Holdings Limited
CHNP	Clearing House for Number Portability Company Limited
CNP	Cineplex Company Limited
DSI	Department of Special Investigation
Frequency Allocation Act	Act on Organization to Assign Radio Frequencies and to Regulate the Broadcasting and Telecommunications Services B.E. 2553
Frequency Allocation Act B.E. 2543	Act on Organization to Assign Radio Frequencies and to Regulate the Broadcasting and Telecommunications Services B.E. 2543
Gold Palace Logistics <BVI>	Gold Palace Logistics Limited (Registered in foreign)
Golden Light	Golden Light Company Limited (Registered in foreign)
Goldsky	Goldsky Company Limited (Registered in foreign)
GPI <BVI>	Gold Palace Investments Limited (Registered in foreign)
HCWML / HutchCAT	Hutchison CAT Wireless Multimedia Limited
HD/ HDTV	high definition/ high-definition television
HMSTL	Hutchison MultiMedia Services (Thailand) Limited
HSPA	High Speed Packet Access
HSPA wholesale agreement	A wholesale agreement for HSPA mobile services between CAT Telecom as a wholesale operator and Real Move as a reseller, dated 27 January 2011 with subsequent additions and/or amendments
HTTCL	Hutchison Telecommunications (Thailand) Company Limited
HWMH	Hutchison Wireless Multimedia Holdings Limited

IC	Interconnection
IC Regulation	Interconnection Regulation B.E. 2549
IFC	International Finance Corporation
IKSC	Internet Knowledge Service Center Company Limited
IM	Information Memorandum
IMT	International Mobile Telecommunications
IMT 2.1 GHz spectrum license	License to operate international mobile telecommunications on the 2.1 GHz spectrum
JAS or Jasmine	Jasmine International Public Company Limited
Joint Operation Agreement	Agreement for Joint Operation and Joint Investment for Expansion of Telephone Service between TOT (previously Telephone Organization of Thailand) and the Company (CP Telecommunication, at the time) dated August 2, 1991 with subsequent additions and/or amendments
Joint-Venture Act	Public-Private Joint Venture Act B.E.2535
K.I.N. <BVI>	K.I.N. (Thailand) Company Limited (Registered in foreign)
KfW	Kreditanstalt für Wiederaufbau
KSC	KSC Commercial Internet Company Limited
MCOT	MCOT Public Company Limited
MKSC	MKSC World Dot Com Company Limited
MNP	Mobile Number Portability
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MVNO	Mobile Virtual Network Operator

NACC	National Anti-Corruption Commission
NBC	National Broadcasting Commission
NBTC	National Broadcasting and Telecommunications Commission
NEC	NEC Corporation (Thailand) Company Limited
NOC	Network Operation Center
NTC	National Telecommunications Commission
NVDR	Thai NVDR Company Limited
PCN	Personal Communication Network
PCT	Personal Communication Telephone
Prospect Gain	Prospect Gain Limited (Registered in foreign)
PTE	Panther Entertainment Company Limited
Real Move or RMV	Real Move Company Limited
Rosy Legend	Rosy Legend Limited (Registered in foreign)
SD	Song Dao Company Limited
SM	Samut Pakan Media Corporation Company Limited
SMT	SM True Company Limited
SSV	Sattellite Service Company Limited
TAM	Telecom Asset Management Company Limited
TCJ	True CJ Creations Company Limited
TDS	True Distribution & Sales Company Limited
TE	Tele Engineering and Services Company Limited
Telecom Business Act	Telecommunications Business Act B.E. 2544

Telecom Committee	Telecom Committee of the NBTC
TGS	True GS Company Limited
TH	Telecom Holding Company Limited
The Company or True / TRUE	True Corporation Public Company Limited
TI or True Internet	True Internet Company Limited
TIC	True International Communication Company Limited
TICT	True Icontent Co., Ltd.
TIG	True International Gateway Company Limited
TIT	True Information Technology Co., Ltd.
TITS	True Internet Technology (Shanghai) Company Limited (Registered in foreign)
TKSC	Telecom K S C Co., Ltd.
TLP	True Life Plus Co., Ltd.
TM or True Multimedia	True Multimedia Company Limited
TMD	True Media Solutions Co., Ltd. (Formerly : True Digital Media Co., Ltd.)
TMR	True Music Radio Co., Ltd.
TMV	True Move Company Limited
TNN	Thai News Network (TNN) Co., Ltd.
TOT	TOT Public Company Limited
TPC	True Public Communication Company Limited
True Group or the Group	True Corporation Public Company Limited and its subsidiaries
True Incube	True Incube Co., Ltd. (Formerly : KOA Company Limited)

True Trademark	True Trademark Holdings Company Limited (Formerly : Dragon Delight Investment Limited)
True4U	True4U Station Company Limited (Formerly : True DTT Company Limited)
TrueMove	True Move Company Limited
TrueVisions Cable or TVC	True Visions Cable Public Company Limited
TrueVisions Group or TVG	True Visions Group Company Limited
TrueVisions or TVS	True Visions Public Company Limited
TSC	Thai Smart Card Company Limited
TT	True Touch Company Limited
TU	True Universal Convergence Company Limited (Currently, True Internet Corporation Co., Ltd.)
TUC	True Move H Universal Communication Company Limited (Formerly : Real Future Company Limited)
TUFC	True United Football Club Company Limited
TV	True Voice Company Limited
TVT	True Vistas Company Limited. (Formerly: True Magic Company Limited)
UCOM	United Communication Industry Public Company Limited
UIH	United Information Highway Company Limited
USO	Universal Service Obligation
Verizon	Verizon Communications Inc.
VoIP	Voice over Internet Protocol
WCS	Wireless Communication Services Limited

COMPANY BACKGROUND AND BUSINESS OVERVIEW

COMPANY BACKGROUND AND BUSINESS OVERVIEW

True Group's vision, objective and long term goal

True Group is Thailand's only fully-integrated telecommunication provider and convergence leader. Its vision is to be the leading digital infrastructure that fully connects people, organizations, economies, and societies together to create sustainable value for life.

True Group's ongoing commitment is to provide high-quality and best-value offerings to consumers by focusing on network superiority, innovation and advanced technology, service excellence, and ideal combinations of its various products through convergence propositions. Convergence strategy is the key competitive advantage for True Group as it continues to fulfill customers' various demands and lifestyles. This not only helps drive subscriber growth and loyalty but also strengthens the Group's leading position in all key businesses.

True Group seeks to elevate Thailand's telecommunications infrastructure to be at the forefront of the international community while progressing the country towards the goal of becoming a digital infrastructure gateway in Asean. The Group's ongoing dedication in developing wired and wireless networks as well as equipping its portfolio with international and local quality content increase opportunities and channels for Thai people throughout the country to thoroughly access news and information, bridge the digital divide, facilitate Thailand's evolution into a knowledge-based society and enhance value for shareholders, customers, organization, society and employees alike.

True Group's three core business segments are: **TrueMove H**, which operates cellular business with superior network quality and coverage through the most comprehensive spectrum portfolio. TrueMove H delivers the best mobile experience in communicating on all platforms comprising 4.5G/4G, 3G and 2G networks which cover 98% of the Thai population nationwide. TrueMove H achieved record-high net addition of 5.4 million in 2016, driving its total subscriber base to 24.5 million by the end of the year. **TrueOnline**, the nationwide hi-speed broadband and WiFi leader with high-quality fiber network and the largest fixed-line phone provider in the Bangkok Metropolitan Area (BMA). The business has continued to expand its broadband network encompassing over 10 million homes nationwide. Its fiber broadband campaigns received overwhelming response from the market and boosted TrueOnline's broadband subscriber base to 2.8 million at the end of 2016; and **TrueVisions**, the leading nationwide pay TV and HD TV operator. TrueVisions accelerated its customer base to 3.9 million at the end of 2016, of which approximately 2 million were premium and standard customers while the rest were FreeView and Free-to-air customers.

The Company is backed by the Charoen Pokphand Group ("CP Group"), Asia's largest agro-conglomerate, and China Mobile, the world's largest mobile operator, with shareholding of 56% and 18% of the Group's total number of issued shares, respectively. As of 31 December 2016, True Group's total registered and paid-up capital was Baht 133,473 million. The Company's main operations are not directly and materially related to its major shareholders. It only has minor transactions in some occasions with its major shareholders.

BUSINESS BACKGROUND

True Group was incorporated in November 1990 as a fixed-line phone service provider and in the following year it signed a build-transfer-operate concession with TOT to build, install, jointly operate and maintain a 2.6 million-line wireline network in the BMA for a period of 25 years, ending in October 2017.

The Company was registered as a public limited company in 1993 under the name TelecomAsia Corporation Public Company Limited and was listed on the Stock Exchange of Thailand in December 1993 under the security symbol “TA”. The Company rebranded under the “True” name and adopted the security symbol “TRUE” in April 2004.

In addition to its traditional fixed-line phone and public phone services, True Group started providing hi-speed data communication services in 2001, WiFi services in 2003, International Internet Gateway services in 2007, and International Data Gateway and International Direct Dialing services in 2008. Since then, True Group remains committed to deliver customers with an ultimate Internet experience for both consumer and corporate segments particularly through competitive fiber broadband campaign, bundling with other products within True Group, and continues to expand its broadband network which encompasses over 10 million households nationwide. The fiber network not only enables True Group to offer fast and constant Internet speed for customers but also facilitates the real triple-play offering, a combination of products and services within the Group through the same network.

True Group extended its services into the mobile telecommunications segment through a subsidiary, BITCO (the parent company of TA Orange), in October 2001. TA Orange’s mobile services were fully launched in March 2002. TA Orange was subsequently rebranded “TrueMove” at the beginning of 2006.

True Group further expanded its mobile business through the purchase of shares of four local companies – Hutchison Wireless Multimedia Holdings Company Limited, BFKT, Rosy Legend Limited, and Prospect Gain Limited – from Hutchison Group which was completed in January 2011 with a transaction size of around Baht 6.3 billion including the settlement of any liabilities of the acquired companies to the Hutchison Group. The transaction gave the Group a first-mover advantage in launching commercial 3G services nationwide using HSPA technology on CAT Telecom’s 850 MHz spectrum. Full commercial 3G services were officially launched by its subsidiary Real Move (as a reseller of CAT Telecom) under the “TrueMove H” brand on August 30, 2011.

True Move H Universal Communication Company Limited (“TUC”) was granted the IMT 2.1 GHz spectrum license by the NBTC in December 2012 and later launched Thailand’s first 4G LTE services on the 2.1 GHz spectrum in May 2013. In addition, TUC was granted the 1800 MHz and 900 MHz spectrum licenses in December 2015 and March 2016, respectively. These additional licenses extend the Group’s mobile business at least until 2033 and reinforce its leadership in 4G and wireless high-speed broadband services through the most comprehensive spectrum portfolio totaling 55 MHz by leveraging on an ideal combination and unique strengths of high-band frequencies (1800 MHz and 2100 MHz) in terms of capacity and low-band frequencies (850 MHz under CAT Telecom and 900 MHz) in terms of network coverage. TrueMove H’s 4.5G/4G, 3G and 2G networks cover 98% of the Thai population nationwide. This, combined with 3CA (Carrier Aggregation) and 4X4 MIMO technologies offering the maximum download speeds of around 300 Mbps for supported devices, provides customers with an optimum mobile experience while fulfilling their lifestyles in this digital age.

For Pay TV business, True Group purchased shares of the United Broadcasting Corporation (“UBC”) from MIH in January 2006 and completed the tender offer for UBC shares held by the public in March 2006, allowing the Company to own 91.8% (effective holding) of UBC. The pay TV operator was renamed “TrueVisions” at the beginning of 2007. After the restructuring of TrueVisions Group in the first half of 2010 and the repurchasing of shares from minority shareholders from November 2010 to February 2011, the Group’s effective holding in TrueVisions Group Company, which is a holding company for True Group’s pay TV business, has been 100.0% while True Group’s indirect holding in True Visions Public Company Limited and True Visions Cable Public Company Limited was 99.5% and 99.1% respectively at the end of 2016. While TrueVisions’ main revenue source comes from monthly subscription fees, MCOT in 2009 authorized the Company to carry advertising, increasing the business’ opportunity to further drive revenue growth.

Meanwhile, TrueVisions’ activation of an enhanced and more secure broadcasting system (MPEG-4 encryption technology) in mid July 2012 effectively prevents the illegal access of its premium content and enhances customers’ viewing experience through expanded HD offerings. Furthermore, subsidiaries under TrueVisions Group were granted two digital terrestrial TV licenses from the NBTC in April 2014. Since then, the Group’s digital TV channels, news channel “TNN 24” and variety channel “True4U”, have received positive market response. TrueVisions’ comprehensive range of attractive and exclusive content, including the broadcasting of English Premier League (“EPL”) and other top major soccer leagues via beIN Sports channels, excellent response to the Group’s value convergence packages and the uptake of the True digital HD set-top boxes fuelled TrueVisions’ customer base up to 3.9 million, further widening its advertising revenue and upselling potential.

One of the key milestones for True Group was its successful recapitalization which dramatically improved its capital structure and financial performance, facilitating future business growth opportunities.

In 2013, True Group sold an investment in ordinary shares of eight non-core business companies to Thana Telecom Corporation Limited with a selling price of around Baht 5.4 billion, enabling it to recognize gain on sale of this investment while focusing more on the core businesses’ operations. In addition, Digital Infrastructure Fund “DIF”, the first telecommunication infrastructure fund in Thailand, was successfully established and listed on the Stock Exchange of Thailand in late December 2013. True Group agrees to dispose telecommunication infrastructure assets and to transfer rights to receive future benefits from telecommunication infrastructure assets of True Group to DIF as well as to lease certain telecommunication infrastructure assets back from DIF for its usual business operations. These telecommunication infrastructure assets include 12,183 telecommunications towers, over 1.1 million core-km of FOC and related transmission equipment, and an upcountry broadband system with a capacity of approximately 1.2 million ports. True Group’s holding in DIF was 28.1% at the end of 2016.

In 2014, True Group achieved a strategic partnership with China Mobile, who became one of True’s major shareholders with an 18-percent holding, further strengthening True’s business fundamentals through collaborations in several areas, including network and device procurement as well as international business. This, together with the successful capital increase of approximately Baht 60 billion in 2016, significantly enhanced the Group’s capital structure and credit profile while supporting its business expansion.

MAJOR DEVELOPMENTS IN 2016

February

- >> TrueVisions, the sole live broadcaster of “Toyota Thai Premier League” for four seasons during 2016-2019, launched the new valued package “Sanun Ball Thai” enabling Thai football fans to watch all matches of Thai Premier League as well as Chang FA Cup and Toyota League Cup at only Baht 299 per month. Customers who purchase the True Digital HD 2 set-top box at Baht 1,690 can watch these top matches for free until the end of 2016.

March

- >> True Move H Universal Communication Company Limited (TUC) was granted the 900 MHz IMT Spectrum License and the Type Three Telecommunication Business License by the NBTC. The ideal combination of the Group's low-band and high-band frequencies addresses all market segments and ecosystems while securing its 4G and mobile broadband leadership through superior networks nationwide. The business has continued to expand its networks which already cover 98% of the Thai population on all platforms including 4.5G/4G, 3G and 2G services.

April

- >> True Group entered into an agreement on business cooperation with Com7 Public Company Limited, Thailand's leading IT-products wholesaler and retailer, to jointly manage the sale of products and services at 166 True service centers at Big C and Tesco Lotus stores nationwide while adding True Authorized Reseller at approximately 300 retail shops under Com7 management such as Banana IT and others nationwide. This business collaboration not only enhances customers' service experience but also expands distribution channels of True Group's three core products through retail shops under Com7 management.
- >> True Group joined forces with Major Cineplex Group in introducing the 4DX cinema “TRUE 4DX” to deliver the best cinema viewing experience with world-class technology and special virtual. The 4DX cinema locates in six prime locations in Bangkok and major provinces comprising Paragon Cineplex, Major Cineplex Ratchayothin, Major Cineplex Festival Chiang Mai, Hatyai Cineplex, Promenade Cineplex and Eastville Cineplex. True's customers are eligible for special privileges and discount.
- >> TrueMove H, Thailand's leading 4G provider with the largest network coverage, joined forces with Grab, the leading all-in-one transport booking application in South-East Asia, in providing passengers with WiFi usage during the taxi ride for the first time in Asia. Registered driver can enjoy special offers when opening new postpaid number from TrueMove H including free True 4G Car WiFi, smartphone 4G “True Smart 4G Speedy 4.0” and 1-year usage of popular applications such as Zello, Grab Driver, Line, Facebook, IG and WhatsApp.

May

- >> True Group announced collaboration with IBM to transform Thailand's digital landscape through the creation of the "True IBM Innovation Studio @Bangkok", which is expected to provide a research and development base in Southeast Asia and become the first center for developing innovations on the digital platform in Asia. True and IBM will leverage on their potentials in terms of True's leadership in convergence services and its wired and wireless telecommunications networks and IBM's world-class technologies and experience to deliver the ultimate and seamless digital experience for customers while supporting Thailand towards digital economy and society.

June

- >> True Corporation Public Company Limited successfully raised approximately Baht 60 billion of capital with 8,391,181,658 newly issued ordinary shares. This significantly strengthened the Group's capital structure while supporting its business expansion to further secure its leadership in the wired and wireless broadband as well as pay TV.
- >> Twelve private organizations including True Group participated in the government project "Leader Program for Sustainable Education or CONNEXT ED" by providing strategic consulting and sending over 1,000 new generation leaders to support and work closely with management from 3,342 schools, aiming to reach 7,424 schools nationwide by the end of 2018, to further elevate standard and quality of education in Thailand.

July

- >> True Group successfully secured the rights to broadcast all matches of English Premier League on beIN Sports channels for 3 years from 2016/2017 to 2018/2019 seasons. This, combined with other top major soccer leagues including Spain's La Liga, Italy's Calcio Seria A, France's Ligue1, USA's Major League Soccer, plus Toyota Thai Premier League offered under the "TRUE Super Soccer" package, enlarges Thai people's accessibility to these valuable content through True Group's mobile, fixed broadband and television platforms, affirming the Group's leadership as the genuine convergence provider.

August

- >> True Group launched "TrueSphere", the first class co-working space, offering True black card and leading business customers with the infinite first-class service experience capitalizing on True Group's comprehensive services and advanced technologies. This further enhances customers' satisfaction while fulfilling their lifestyles in this digital era. Customers can enjoy special privileges across all five branches of TrueSphere at The Emquartier, Central Plaza West Gate, Mega Bangna, The Mall Bang Kapi and Future Park Rangsit.

September

- >> TrueMove H in collaboration with Ascend Nano and 7-Eleven launched a new innovative financial service called “Hero Cash” to fulfill consumers’ digital lifestyles and financial needs. This special offer provides a convenient alternative for TrueMove H customers to shop at 7-Eleven stores. Customers will get an interest-free credit limit for shopping at 7-Eleven stores for six months and pay later. TrueMove H’s customers who apply for the 4G+ Social SIM at 7-Eleven store and True Shop and/or register for Hero Cash service via TrueID application are eligible for the credit.
- >> True Group, whose subsidiary secures an exclusive rights of Pokémon character in Thailand, leveraged on the worldwide sensational game “Pokémon GO” and TrueMove H’s superior 4G+ network covering 98% of the Thai population in 77 provinces nationwide by introducing top-up package with unlimited data usage for playing Pokémon GO. Prepaid customers who purchase new 4G+ Social SIM will get free unlimited data usage for playing Pokémon GO for 30 days plus free 4.5G/4G/3G and WiFi usage of up to 72GB for 12 months (6GB per month) when topping up Baht 150 per month. New postpaid customers who subscribe to at least Baht 550 package will get unlimited data usage for playing Pokémon GO for 1 year.

October

- >> TrueMove H launched its newest and best ever package exclusively for iPhone 7 and iPhone 7 Plus. Customers who purchase iPhone 7 or iPhone 7 Plus along with a subscription to the 4G+ Unlimited package are eligible for the 4G usage at full speed without any limitations for one year, unlimited cloud backup and WiFi as well as special discount. TrueMove H customers can enjoy an optimum mobile experience on these smartphones through TrueMove H’s superior network nationwide with 3CA and 4X4 MIMO technologies offering the maximum download speeds of around 300 Mbps for supported devices.

November

- >> True Group and China Mobile further strengthened their strategic partnership and signed a cooperation framework agreement under Hand-in-Hand Program. The cooperation framework covers five major scopes which include intensifying device collaboration on research initiatives for mobile network evolution technologies, strengthening complementary capabilities for data business services, enhancing mobile business through global roaming cooperation and information sharing, leveraging network resources to maximize efficiency, and co-developing new business opportunities in relation to innovation and Internet of Things. These initiatives will result in the development of services which would align not only with the technology development but also with the development of customer demands.

December

- >> True Group joined hands with the Royal Thai Police to upgrade public services by supporting high-speed wireless Internet access to police administration covering all units under The Royal Thai Police (RTP) and 1,482 police stations across the country. This will enhance the performance of police officers to be able to communicate, search for information and connect with the online systems within police authority more quickly and efficiently. This partnership will transform Thailand competitively to Thailand 4.0 model while further improving security of Thai people. True Group also provides special benefits under the welfare program for civil servants under the Office of the Thai Royal Police with special packages called “24-hour free calls” together with constant connection and free smart phones when using the services under the selected package.
- >> True Group introduced bundled package “True A Plus” for apartment, offering 200Mbps and 300Mbps of fiber broadband Internet and TrueVisions attractive channels, particularly premium content such as English Premier League and Hollywood movies, to all rooms within the building at only Baht 3,000 and 4,000 per month, respectively.

AWARDS RECEIVED IN 2016

Awards for Business

>> 2016 Frost & Sullivan Thailand Excellence Awards for Telecom Service, Mobile Service and Mobile Data Service

True Group won three awards for its excellence in business operations at the 2016 Frost & Sullivan Thailand Excellence Awards: 1) Thailand Telecom Service Provider of the Year; 2) Thailand Mobile Service Provider of the Year; and 3) Thailand Mobile Data Service Provider of the Year. The awards were given to honor enterprises in Thailand with excellence in business operations through the in-depth analyses carried out by Frost & Sullivan experts.

>> 5G & LTE Asia Awards for the Most Significant Development of a Commercial LTE Network

TrueMove H received an award at the 5G & LTE Asia Awards in the Most Significant Development of a Commercial LTE Network category from the Informa Telecoms & Media Event in Singapore. The Most Significant Development of a Commercial LTE Network award was given for TrueMove H's achievement and development in the areas of commercial success and end-user experience improvement.

Awards for Service

>> Asia Pacific Telecom Summit Awards 2016 for Excellence in Customer Experience

True Group won the Asia Pacific Telecom Summit Awards 2016 in the category of Excellence in Customer Experience from the IDC Asia Pacific at the Asia Pacific Telecom Summit 2016 held in Singapore. The award was given to recognize the Company's determination to provide a variety of customer services and privileges such as the building of TrueSphere First Class Co-working spaces for customer convenience and experiences.

Awards for Innovation

>> 2016 Thailand ICT Excellence Awards from the Thailand Management Association

True Group won two best innovation awards from the 2016 Thailand ICT Excellence Awards hosted by the Thailand Management Association (TMA). The awards were given to honor and support True Group's ICT excellence and development capabilities for: 1) Best Business Enabler Project for Mari 4.0, a voice recognition command service of the Customer Services Department; and 2) Screen to Store for Best Innovation Project which is TrueVisions Group's promotional campaign where audiences can participate while watching.

>> Awards from the 12th Taipei International Invention Show and Technomart (INST 2016)

True Group won three awards from the 12th Taipei International Invention Show & Technomart (INST 2016) event organized by the Taiwan External Trade Development Council in Taipei, Taiwan. The "Kare" application for children

with special needs' education received a bronze award and a special award for the Invention Promotion category from the Korea Invention Promotion Association. In addition, MEM (My Eye Memory) a Braille note taking device for the visually-impaired received an Honorable Mention award at this event. Both Kare and MEM were judged among 327 inventions from 12 countries worldwide and are testaments to True's capabilities and ongoing commitment to create valuable innovations for Thai society. They also highlight the country's pride by bringing international recognition to Thailand and serve as innovation prototypes for inventions focusing on the underprivileged.

>> **IWIS Award of Foreign Best Invention and 6 Other Awards from the 10th International Warsaw Invention Show (IWIS 2016)**

True's Kare application and MEM, a Braille note taking device for the visually-impaired, both won awards at the 10th International Warsaw Invention Show (IWIS 2016) held in Warsaw, Poland. Kare received three awards: 1) IWIS Award of Foreign Best Invention; 2) Gold Award; and 3) Gold Cup with Certificate from Taiwan International Invention Award Winners Association, while MEM garnered four awards: 1) Gold (Special) Award from Chinese Innovation & Invention Society (CIIS); 2) Bronze Award; 3) iCAN Special Award for Distinguished Innovative Invention; and 4) Recognition Certificate for Innovative Invention from Toronto International Society of Innovation & Advanced Skills (TISIAS) from Toronto, Canada.

>> **Certificate from the National Research Council of Thailand for MEM and Kare Application for the underprivileged**

True Group received a certificate from the National Research Council of Thailand for its Kare and MEM inventions that won international awards. Kare application for the underprivileged received a bronze award and a special award from Korea Invention Promotion Association whereas MEM (My Eye Memory) a Braille note taking device for the visually-impaired received an Honorable Mention award from the 12th Taipei International Invention Show & Technomart (INST 2016).

Awards for Brand and Marketing

>> **No.1 Brand for 4G Network and Internet at the No.1 Brand Thailand 2015-2016**

True Group received two awards from the No.1 Brand Thailand 2015-2016 event held by Maketeer Magazine in collaboration with Video Research International, which is Japan's biggest marketing research company. TrueMove H for two consecutive years was awarded the No.1 Brand Award for its 4G Network and TrueOnline was awarded the No.1 Brand Award for residential high-speed Internet. The awards took into consideration the satisfaction level of 4,000 Thai consumers nationwide from a pool of over 1,000 brands in more than 100 categories of goods and services.

>> **Adman Award 2016 for True's Let Them See Love Project**

True Corporation in collaboration with Charoen Pokphand Group, Thai Red Cross Society and Choojai Ka Kalayanamitr (the producer of the "Organ Donation Will" ads to jointly promoted organ and eye donation through the "Let Them See Love") received three awards at the Adman Awards and Symposium 2016: 1) Gold Award for

Best Charities, Public Health & Safety, Public Awareness Message Film; 2) Gold Award of Public Relations for a Social Project; and 3) Bronze Award for Ads that deliver results and are effective communication tools.

Awards for Corporate Social Responsibility and Sustainable Development

>> HRH Princess Maha Chakri Sirindhorn's Honorable Pin for supporting Utokepat Foundation

True Group for three consecutive years received the HRH Princess Maha Chakri Sirindhorn's Honorable Pin for its continuous support for the Utokepat Foundation under Royal Patronage.

>> Honorable Plaque at the Annual World Autism Awareness Day 2016

True Group received an Honorable Plaque at the 9th Annual World Autism Awareness Day 2016, organized by the Autistic Thai Foundation in collaboration with the Association of Parents of Persons with Autism. The Plaque was presented in recognition of True's continuous support for the foundation under the theme of "Creating a Better Life for the Disabled." In addition, the following True executives were awarded Honorable Plaques for their support in helping to develop and improve the lives of autistic persons: 1) Mr. Suphachai Chearavanont, President and CEO; 2) Dr. Kantima Kunjara, Group Director for Corporate Communications & CSR; 3) Dr. Teerapon Tanomsakyut, Deputy Director and Head of Innovation Center; Mr. Virat Techanirattisai, Group Chief Commercial Officer of True Life Style Retail and 5) Ms. Sunsanee Chuntanawaree, True's Innovator.

>> Honorable Plaque for Supporting the 2016 Annual Social Development and Human Security Academic Conference

True Group received an Honorable Plaque from the Ministry of Social Development and Human Security for supporting the 2016 Social Development and Human Security Academic Conference. True Group in collaboration with the Autistic Thai Foundation set up an exhibition to showcase its innovative and free application for autistic persons which was developed together to help support learning skills as well as physical and mental capabilities of children with autism.

>> 2016 Chor Sa-ard Awards from the National Anti-Corruption Commission

True Group was a recipient of 2016 Chor Sa-ard Awards from the National Anti-Corruption Commission for three consecutive years for its TV programs that promote anti-corruption campaigns and cultivate Dharma. Two awards were given this year to: 1) TrueVisions for airing the Novice Monks Cultivating Dharma Wisdom Year 5; and 2) True Corporation Plc which produced this reality show.

>> Gold Dolphin Award at the Cannes Corporate Media & TV Awards 2016 for Best Educational Promotion TV Program to the Novice Monks Cultivating Dharma Wisdom 5

True Group's Novice Monks Cultivating Dharma Wisdom Year 5 TV program was awarded the Gold Dolphin Award at the Cannes Corporate Media and TV Awards 2016 held in Cannes, France in the Best Educational Promotion TV program category. It was the only TV program from Thailand and Asia that was recognized among more than 1,000 programs from around the world. This is the second time that True has won this award. In 2015 True

was awarded the Silver Dolphin Award. These awards are an encouragement for True to continue developing and creating useful and informative content for Thais.

>> **Best Children's TV Program Award at the 7th Annual Natharat Awards 2015**

The Novice Monks Cultivating Dharma Wisdom Year 4 TV program by True Group and TrueVisions was awarded Best Children's TV Program at the 7th Annual Natharat Awards 2015 for two consecutive years, judged by the Television and Broadcast Vocation Association & Federation. The award was given in recognition of True Group's commitment to continuously develop and create quality content for Thai youths and society.

>> **Honorable Plaque for supporting the Ministry of Social Development and Human Security in the strategic development operation for children in foster care**

True Group received an Honorable Plaque from the Ministry of Social Development and Human Security for its contribution to the ministry's strategic development operation for children in foster care under the Petch Nam Nueng project.

>> **Honorable Plaque for four consecutive years at the International Day of Persons with Disabilities 2016**

True Group for four consecutive years received an Honorable Plaque in recognition of its continuous support for sustainable learning society and creating a better life for the disabled through its innovative communications technology. The plaque was presented by the Ministry of Social Development and Human Security at the International Day of Persons with Disabilities 2016.

Other Awards

>> **Honorary Doctorate Degree in Mass Communications from Ramkhamhaeng University for True's President and CEO**

Mr. Suphachai Chearavanont, President and CEO of True Corporation, was awarded an Honorary Doctorate Degree in Mass Communications from Ramkhamhaeng University. Receiving the degree from HRH Princess Maha Chakri Sirindhorn, Mr. Suphachai is considered a businessman with outstanding achievement in developing and supporting mass communication development in Thailand. Moreover, he has helped improve the TV business through TrueVisions channels which broadcast a variety of educational and entertainment programs. He has also helped Thailand's education sector through the True Plookpanya Project and True Plookpanya TV channels for students as well as supported students in journalism and mass communications in terms of comprehensive training programs.

>> **Honorable Pin and Certificate for Supporting the Ministry of Education**

Mr. Suphachai Chearavanont, True Corporation's President & CEO, and Mr. Thada Savetsila, Group Director, were awarded an Honorable Pin and Certificate 2016 at the 124th Anniversary of the founding of the Ministry of Education, in recognition of the Company's role in supporting the Ministry's works.

>> Best Telecom Industry CFO at the IAA Awards for Listed Companies 2015/2016

Mr. Noppadol Dej-udom, Deputy Chief Executive Officer of True Corporation Plc and former Chief Financial Officer of True Group was awarded Best CFO of the Telecommunication Industry at the 7th Annual IAA Awards for Listed Companies 2015/2016. The award was given for his knowledge and skills in managing businesses with vision and ethics for sustainable development while creating stakeholders' value addition in order to help improve the Thai economy and the capital market. The award was judged by a group of securities analysts and fund managers.

>> True4U Executive Receives "Thai Role Model" Award for Sontam Hamburger Soap Opera

Mrs. Naetchanok Wipatasinlapin, General Manager of True4U Digital TV Channel 24 and Producer of "Sontam Hamburger", won the Hong Thong award in the category of "Thai Role Model" from the Annual Campaign to promote the creation of good role models in society to honor HM the King, who is the supreme role model and father of the nation. The Sontam Hamburger series was written by the widely reputed monk, Phra Maha Vuthichai Vachiramethi. The awards ceremony was organized by the Assembly of Thai Radio, TV and Press Programmers.

>> Honorable Library Excellence Award for True Library

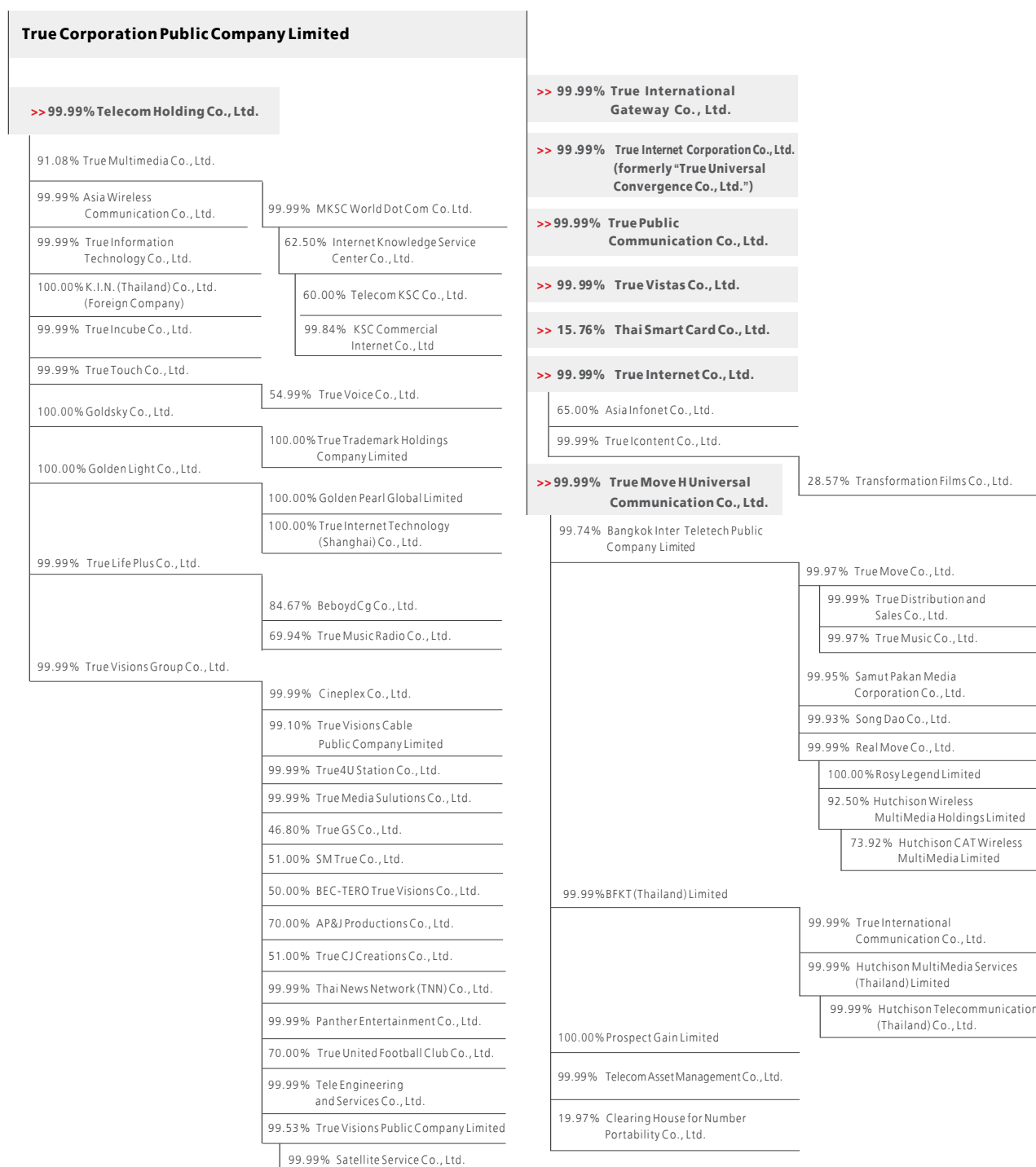
True Library, located at the Company's headquarters, was presented with an Honorable Library Excellence Award 2015 by HRH Princess Soamsawali. True Library is a library for telecommunications first established in 1990. In 2014, it was renovated and equipped with a modern IT system accompanied by a smart and stylish look. It is a place where employees and children as well as students can learn and improve their knowledge. True Library provides iBook services and offers to visitors various zones such as Event/Forum zone, Edutainment zone, private study rooms, and a True Life corner.

GROUP INVESTMENT STRUCTURE

The Company group reports its financial results in three segments: TrueOnline, TrueMobile and TrueVisions.

- (1) TrueOnline consists of the Company and its 25 active subsidiaries and 2 joint venture.
- (2) True Mobile consists of 8 active subsidiaries.
- (3) TrueVisions consists of 13 active subsidiaries, 2 joint venture and 1 Associates.

GROUP INVESTMENT STRUCTURE

AS AT 31ST DECEMBER 2016

- Remark:
- Group investment structure presents the investment holding of 10% up.
 - There has been no persons who may have conflict of interests with the Company holds the Company's its subsidiaries and associated companies' shares more than 10% of total issued shares
 - As at 31 December 2016, the Company has held 1,632,790,800 units or equivalent to 28.11% of the total units offered of Digital Telecommunications Infrastructure Fund

INVESTMENT STRUCTURE BY BUSINESS GROUP

ASAT31ST DECEMBER 2016

**2.6 million line Telephone Services,
Value Added Service and Digital Data Network
True Corporation Public Company Limited**

>>TrueMobile	>> TrueVisions	>> TrueOnline			
True Move H Universal Communication Co., Ltd. 100.00 %	True Visions Group Co., Ltd. 100.00 %	>> Fixed Line Service	>> Data Service	>>Broadband and Internet	>>Other Business
True Move Co., Ltd. 99.70 %	True Visions Public Company Limited 99.53 %	True Corporation Public Company Limited	True Multimedia Co., Ltd. 91.08 %	True Multimedia Co.,Ltd. 91.08 %	Holding Company
True Distribution and Sales Co., Ltd. 99.70 %	Cineplex Co., Ltd. 100.00 %	True Public Communication Co., Ltd. 100.00 %	True Corporation Public Company Limited	True Internet Co., Ltd. 100.00 %	Telecom Holding Co., Ltd. 100.00 %
True Music Co., Ltd. 99.67 %	True Visions Cable Public Company Limited 99.10 %	True Touch Co., Ltd. 100.00 %	True Internet Corporation Co., Ltd. (formerly *True Universal Convergence Co., Ltd.) 100.00 %	True Life Plus Co., Ltd. 100.00 %	Bangkok Inter Teletech Public Company Limited 99.74 %
Telecom Asset Management Co., Ltd. 100.00 %	Satellite Service Co., Ltd. 99.53 %	Asia Wireless Communication Co., Ltd 100.00 %		Internet Knowledge Service Center Co., Ltd. 56.93 %	K.I.N. (Thailand) Co., Ltd. (Foreign) 100.00 %
Real Move Co., Ltd. 99.74 %	Panther Entertainment Co., Ltd. 99.99 %	True Voice Co., Ltd. 55.00 %		KSC Commercial Internet Co., Ltd. 56.83 %	MKSC World Dot Com Co., Ltd. 91.08 %
True International Communication Co., Ltd 100.00 %	AP&J Productions Co., Ltd. 70.00 %			True International Gateway Co., Ltd. 100.00 %	True Incube Co., Ltd. 100.00 %
BFKT (Thailand) Limited. 100.00 %	True Media Solutions Co., Ltd. 100.00 %				True Trademark Holdings Company Limited 100.00 %
	True United Football Club Co., Ltd. 70.00 %				Gold Palace Investments Limited 100.00 %
	SM True Co., Ltd. 51.00 %				Golden Light Co., Ltd. 100.00 %
	Thai News Network (TNN) Co., Ltd. 100.00 %				Goldsky Co., Ltd. 100.00 %
	True GS Co., Ltd. 46.80 %				Others
	Tele Engineering and Services Co., Ltd. 100.00 %				True Information Technology Co., Ltd. 100.00 %
	BEC-TERO True Visions Co., Ltd. 50.00 %				Beboyd Cg Co., Ltd. 84.67 %
	True4U Station Co., Ltd. 100.00 %				True Vistas Co., Ltd. 100.00 %
	True CJ Creations Co., Ltd. 51.00 %				Clearing House for Number Portability Co., Ltd. 19.97 %
					True Internet Technology (Shanghai) Co., Ltd 100.00 %
					True Icontent Co., Ltd. 100.00 %
					Transformation Films Co., Ltd. 28.57 %

Remark:

- >> The companies that are inactive but need to be maintained are Telecom KSC Co., Ltd. (34.39%) Hutchison MultiMedia Services (Thailand) Limited (100.00%) Hutchison Telecommunications (Thailand) Co., Ltd. (100.00%) Hutchison CAT Wireless MultiMedia Limited (68.02%) Hutchison Wireless MultiMedia Holdings Limited (92.02%) Rosy Legend Limited (99.48%) Prospekt Gain Limited (100.00%) Samut Pakan Media Corporation Co., Ltd. (99.43%) and Song Dao Co., Ltd. (99.41%)
- >> The Company which are in process of liquidation are Asia Infonet Co., Ltd. (65.00%) and True Music Radio Co., Ltd. (69.94%)

REVENUES BREAKDOWN

REVENUES BREAKDOWN BY BUSINESS GROUP

BUSINESS GROUP	FULL YEAR OF 2016		FULL YEAR OF 2015		FULL YEAR OF 2014	
	Baht Million	%	Baht Million	%	Baht Million	%
1. TrueOnline	23,036	18.4%	27,734	23.3%	26,640	24.5%
2. TrueMobile	91,985	73.8%	81,553	68.7%	73,581	67.3%
3. TrueVisions	9,698	7.8%	9,494	8.0%	8,995	8.2%
Total Revenues	124,719	100.0%	118,781	100.0%	109,216	100.0%

REVENUES BREAKDOWN BY COMPANY

BUSINESS GROUP / OPERATION BY	2016		2015		2014	
	Baht Million	%	Baht Million	%	Baht Million	%
1. TrueOnline						
>> True Corporation Public Company Limited	4,118	3.3%	10,667	9.0%	11,264	10.4%
>> True Multimedia Co., Ltd.	37	0.0%	48	0.0%	46	0.0%
>> True Internet Co., Ltd.	14,391	11.5%	12,709	10.8%	11,455	10.6%
>> True Life Plus Co., Ltd.	109	0.1%	192	0.2%	356	0.3%
>> KSC Commercial Internet Co., Ltd.	506	0.4%	534	0.4%	508	0.5%
>> Asia Wireless Communication Co., Ltd.	443	0.4%	368	0.3%	-	-
>> True Touch Co., Ltd.	394	0.3%	404	0.3%	409	0.4%
>> True International Gateway Co., Ltd.	506	0.4%	469	0.4%	371	0.3%
>> True Internet Corporation Co., Ltd.	2,459	2.0%	2,191	1.8%	2,089	1.9%
>> True Internet Technology (Shanghai) Co., Ltd.	29	0.0%	-	-	25	0.0%
>> Others	44	0.0%	152	0.1%	117	0.1%
Total	23,036	18.4%	27,734	23.3%	26,640	24.5%
2. TrueMobile						
>> BITCO Group of companies	17,324	14.0%	18,207	15.4%	17,823	16.3%
>> BFKT (Thailand) Co., Ltd.	14,086	11.3%	16,018	13.5%	16,785	15.4%
>> Real Move Co., Ltd.	48,575	38.9%	36,832	31.0%	33,000	30.2%
>> True Move H Universal Communication Co., Ltd.	11,949	9.6%	10,447	8.8%	5,948	5.4%
>> Telecom Asset Management Co., Ltd.	51	0.0%	49	0.0%	25	0.0%
Total	91,985	73.8%	81,553	68.7%	73,581	67.3%
3. True Visions						
>> True Visions Group of companies	9,698	7.8%	9,494	8.0%	8,995	8.2%
Total Revenues	124,719	100.0%	118,781	100.0%	109,216	100.0%

NATURE OF BUSINESS

PRODUCTS AND SERVICES

True Group is Thailand's only fully-integrated telecommunications provider and convergence leader. The Group differentiates itself and facilitates subscribers' various lifestyles through the convergence of products within True Group comprising voice (fixed-line and mobile), wired and wireless broadband Internet, pay TV and digital TV, data and content. By offering a comprehensive selection of networks, services and content, True Group is well placed to accelerate growth alongside the country's transition to Thailand 4.0 while supporting the development of Thailand's telecommunications industry to reach global standards.

Network superiority and the Group's convergence propositions, providing customers with their preferred combinations of content and services from its integrated platform, are at the core of True Group's strategies and differentiate itself from the competition. This drives subscriber growth and customer loyalty as well as maximizes the full potential of its products and services. True Group believes convergence delivers significant benefits while enhancing value for its customers.

True Group's core businesses have been organized into the three following categories:

- >> Online business under TrueOnline, comprising fixed-line phone and value-added services, Internet and broadband Internet services, business data services and WiFi;
- >> Cellular business under TrueMove H, offering a comprehensive range of mobile services through 4.5G/4G, 3G and 2G networks nationwide;
- >> Pay TV and Digital TV businesses under TrueVisions

The tables below present Group revenue and EBITDA profile

TOTAL REVENUE :	2013	%	2014	%	2015	%	2016	%
Unit : Baht million								
TrueOnline	23,086	24	26,641	24	27,734	23	23,036	18
TrueMove H	63,073	66	73,581	67	81,553	69	91,986	74
TrueVisions	10,055	10	8,995	8	9,494	8	9,698	8
Total	96,214	100	109,216	100	118,781	100	124,719	100

Remark : After intersegment elimination

EBITDA :								
Unit : Baht million								
	2013	%	2014	%	2015	%	2016	%
TrueOnline	5,070	31	7,187	36	7,729	35	5,259	21
TrueMove H	9,921	61	12,845	64	15,236	69	20,374	81
TrueVisions	1,394	9	18	0	(856)	(4)	(561)	(2)
Total	16,385	100	20,050	100	22,109	100	25,071	100

Remark : After intersegment elimination

TRUEONLINE

TrueOnline comprises fixed-line telephone and value-added services, Internet and broadband Internet, business data services and data gateways. Broadband Internet business has sustained solid performance and remains the key growth driver for TrueOnline.

I) FIXED-LINE PHONE AND VALUE-ADDED SERVICES

TrueOnline is the largest fixed-line telephone service provider in the BMA (under the Build-Transfer-Operate agreement with the Telephone Organization of Thailand “TOT”) with a fixed-line capacity of 2.6 million lines, of which approximately 1.3 million lines are in commercial use.

In August 1991, True Group signed a 25-year Joint Operation Agreement under Build-Transfer-Operate terms with TOT to construct, install, maintain and jointly operate a 2-million-line wireline network in the BMA, which will expire in 2017. The agreement was subsequently extended to cover an additional 600,000 lines. True Group transferred its fixed-line network to TOT which collects revenues from subscribers and makes payment to the Group of its proportion as stipulated by the Joint Operation Agreement at the rate of 84.0 percent for two million lines and 79.0 percent for 600,000 lines. True Group receives an 82.0 percent share of revenue from each value-added service.

Value-Added Services

In addition to fixed-line phone service, True Group offers a range of value-added services to meet customers' needs including:

>> Voice Mailbox, Call Waiting, Conference Calling, Call Forwarding, Hot Line, Abbreviated Dialing, Automatic Call Repetition, Outgoing Call Barring, Caller ID and Smart Alert.

The Group also provides services for corporate customers requiring a large number of telephone lines and provides a range of value-added services including:

- >> Direct Inward Dialing or DID;
- >> Hunting Lines service, which bundles two or more telephone lines at one location into a single number;
- >> Integrated Service Digital Network or ISDN, which can carry all forms of voice, data and image communications simultaneously on the same telephone line;
- >> Televoting;
- >> Free Phone 1-800, allowing businesses to provide their customers with a free contact call service;
- >> Voice Conferencing; and
- >> VoIP service, called NetTalk by True.

Fixed-line network

True Group's core fixed-line network is fiber-rich, enabling the Group to minimize the use of copper cables and provide high-quality voice and data communications services.

Fixed-line subscriber and ARPU

True Group's fixed-line subscriber base decreased 16.6 percent from the previous year to 1.3 million at the end of 2016. The average revenue per user (ARPU) was Baht 214 per month in 2016 compared to Baht 223 per month in 2015. The decline in fixed-line subscribers and revenue is an industry-wide phenomenon following consumers' rising trend towards mobile usage.

The following table shows the number of fixed-line subscribers and ARPU for the periods indicated:

FIXED LINE	AS OF DECEMBER 31,				
	2012	2013	2014	2015	2016
Subscribers	1,766,141	1,696,155	1,613,504	1,506,642	1,256,223
ARPU (Baht/month)	265	255	239	223	214

II) BROADBAND INTERNET AND BUSINESS DATA SERVICES

True Group is Thailand's leading broadband or hi-speed Internet operator with the total subscriber base of 2.8 million and network coverage of approximately 10 million homes passed nationwide. TrueOnline determines to enhance customers' Internet experiences through ongoing expansion of its fiber network, providing distinct and attractive offerings, bringing in innovative and advanced technologies as well as enhancing service quality.

True Group also offers rich content catering to all consumer lifestyles, including music, gaming, sports and e-books, as well as a variety of value-added services such as Internet Security Program allowing safe online with leading Anti-Virus program.

True Group's subsidiary, TU, was granted a Type Three license from the NTC to provide fixed-line telephone, broadband and data services nationwide. TU provides data and broadband circuits as well as data network services to the Group's subsidiaries including True Internet and True Multimedia. These provide hi-speed Internet and data services to end customers and non-voice services to consumers and business customers, respectively.

In 2001, True Group started offering hi-speed data services comprising ADSL and cable modem and later, in 2003, introduced WiFi services. In 2009, TrueOnline launched the "ULTRA Broadband" service via VDSL and later expanded its offering to incorporate FTTH (Fiber to the home) technology for premium customers. In 2011, TrueOnline officially launched new broadband service under DOCSIS 3.0 technology and later, in 2014, introduced its broadband offerings via FTTx technology on a mass scale. These provide fast and stable connection while supporting download speed of over 1 Gbps and triple-play services, a combination of high-speed Internet, pay TV and voice services through the same router and cable network.

TrueOnline remains committed to elevate customers' Internet experience and fulfill their lifestyles especially a rising trend of massive data transfer such as high-definition content uploading and downloading, audio streaming and real-time livestreaming, while facilitating Thailand's transition into a digital era. The business aggressively expanded its fiber network and upgraded the Internet speeds, ranging from 30 Mbps to 1 Gbps. The "TRUE Super Speed FIBER" campaign, offering value packages to consumers especially through an ideal combination of the Group's various products and services, has continued to receive positive market response which fuelled solid subscriber and revenue growth. Additionally, TrueOnline further penetrates into the apartment segment by launching the "True A Plus" proposition, combining 300 Mbps and 200 Mbps of fiber broadband Internet and TrueVisions attractive channels, particularly premium content such as English Premier League and Hollywood movies.

For the enterprise segment, True Group offers converged data and voice communication solutions and managed services to business customers through various technologies. These include: Digital Data Network or Leased-Line; Multiprotocol Label-Switching; Metro Ethernet (a fiber-to-the-building technology designed specifically for business customers); and IP-Lease Line (a hybrid between an IP-based data service and a lease line service which improves the quality of connection beyond standard IP-based services). In addition, True Group offers a Managed Network Service (a combination of three network operation services: network performance management, fault management and configuration management). Furthermore, its service infrastructure is built on modern IP technology that supports cloud computing.

True Ethernet Fiber service, an advanced IP network which enables the secure transferring of large multi-format files over fiber-optic cables with download speeds of 2 Mbps to 10 Gbps, was the first in Thailand to have attained global service quality assurance from the Metro Ethernet Forum. The Group also provides data communication solution,

using Multiprotocol Label Switching technology, to better respond to specific needs of online game stores across the country. In addition, True Group's focus on the fiber market presents high growth opportunities. It has invested in the fiber-optic network via Gigabit-capable Passive Optical Network (GPON) technology which reaches corporate clients located in buildings on key roads in the BMA as well as several provincial industrial estates and tourist destinations. Furthermore, True Internet was the first service provider in Asia to upgrade its Internet backbone to 100 Gbps with the deployment of the world-class standard "Cisco Nexus 7000". This enhanced its capability to support an expansive upward trend of customers' Internet usage in the future while delivering a better experience to its customers.

Beside large corporate clients, the Group expands its business customer base more aggressively into the SME segment, which represents significant growth opportunity, by introducing the "SME Package" that suits different size and demand of each SME customer. The package provides them with reliable and high quality Internet services including fixed IP address that supports web & mail server, streaming server, VDO conference, VOIP and CCTV. These best-valued offerings, matching customers' internet usage and demand, have received positive response from the targeted segments.

All these developments accelerated TrueOnline's broadband performance and acquisition. TrueOnline achieved an all-time high net additions of 380,523 subscribers, driving its broadband subscriber base to 2.8 million with an ARPU of Baht 629 in 2016.

The following table shows the number of broadband subscribers and ARPU for the periods indicated:

Broadband	AS OF DECEMBER 31,				
	2012	2013	2014	2015	2016
Subscribers	1,569,556	1,809,600	2,081,436	2,388,118	2,768,641
ARPU (Baht/month)	699	712	710	668	629

III) INTERNATIONAL GATEWAY SERVICES

TIG, previously known as True Internet Gateway, a subsidiary of True Corp, received an International Internet Gateway and Domestic Internet Exchange License (Type Two with Network) as well as an International Private Leased Circuit License (Type Three) from the NBTC.

The aforementioned licenses allow TIG to provide international Internet and international data services, both via terrestrial and submarine networks. TIG has IP Points of Presence in Bangkok, Singapore, Hong Kong, Netherlands, UK and US which enhance the efficiency of international connections and service quality.

Since its launch, TIG has considerably expanded its capacity to support the growth of Internet and international data services which have grown every year. At the end of 2016, TIG's backbone capacity reached approximately 500 Gbps and keeps on expanding. Most of TIG's international Internet bandwidth capacity is utilized within True Group while the rest is utilized by external customers, including local and Indochina ISPs, local and multinational corporations, and international telecom operators.

Certified ISO 9001:2008, TIG commits to best network quality and best customer experience. TIG's backbone carrying international traffic is proven to be highly reliable as it continued to invest in backbone networks throughout 2016 for more diversity and to ensure highly-resilient network.

While TIG has continued to grow its revenue from existing and new customers, it signed a number of new customers in 2016. TIG keeps its focus on fast-growing bandwidth demand from Indochina neighboring countries; this aligns with Digital Thailand national policy and TIG is proud to play a key role in helping Thailand to become regional hub by expanding its best network connectivity throughout the region.

TIG's strength also lies on closely knit carrier partnership and collaboration; it commits to seek new synergy in order to bring global service values to its customers while at helping its carrier partners grow their business and set footprint in Thailand and Indochina countries.

TIG's service scope includes International Internet Gateway ("IIG") and National Internet Exchange ("NIX", also known as Domestic Internet Exchange) as well as a variety of International Data services comprising International Private Leased Circuit ("IPLC"), International Ethernet Line ("IEL"), Internet Protocol Virtual Private Network ("IPVPN") and Virtual Node services.

TRUEMOVE H

TrueMove H operates mobile business through the most comprehensive spectrum portfolio totaling 55 MHz of bandwidth. An ideal combination of high-band frequency (1800 MHz and 2100 MHz) for capacity and low-band frequency (850 MHz under CAT telecom and 900 MHz) for coverage accommodates all market segments and ecosystems. True Group holds 100.0 percent of the shares in TUC, which is a holding company for the Group's mobile business.

TrueMove operated under the Agreement to Operate, dated June 20, 1996, granted by CAT Telecom. This allowed for the provision of services under the Digital PCN 1800 system until September 2013. Under the Agreement to Operate, TrueMove shared 25 percent of its revenue, after deducting access charge payments and other deductible expenses (e.g. content), with CAT Telecom until September 2011, after which the proportion of revenue shared with CAT Telecom was increased to 30 percent until the end of the agreement.

In January 2011, True Group completed the purchase of shares of four local companies from Hutchison Group which increased its business scale through the acquisition of approximately 800,000 subscribers. In April 2011, under the reseller agreement between the Group's subsidiary "Real Move" and CAT Telecom, which is effective until 2025, the TrueMove H brand was established to facilitate the launch of nationwide commercial 3G services using HSPA technology on the 850 MHz spectrum. The official launch of TrueMove H on August 30, 2011 effectively gave the Group's 3G services a nationwide first-mover advantage.

TUC participated in the 2.1 GHz auction and was granted the license by the NBTC in December 2012. This enabled TrueMove H to reap the benefit from being the first operator to commercially launch 4G service on the 2.1 GHz frequency in May 2013. Since then, the business has secured its 4G leadership while lifting consumers perception on the Group's networks and offerings.

TUC was one of the winners in the 1800 MHz and 900 MHz spectrum auctions, which were held in November and December 2015 respectively. It was granted the 1800 MHz license in December 2015 and the 900 MHz license in March 2016, further expanding the Group's mobile business until at least 2033. These spectrum acquisitions are the Group's major milestones to secure its 4G and wireless broadband leadership. The business later launched the 4G Plus campaign, highlighting its network strength together with 3CA (Carrier Aggregation) and 4X4 MIMO technologies that can provide the maximum download speeds of approximately 300 Mbps for supported devices. The campaign has received overwhelming response and continued to drive significant revenue and subscriber growth as well as consumer perception.

Subscribers

In 2016, TrueMove H delivered a significant increase in overall performance driven by its key strengths of network quality and coverage, competitive device-bundling campaigns and effective sales channels throughout the country. Strong acquisition seen in both postpaid and prepaid segments with subscribers increasing 28.2% and 28.4% YoY, respectively. The business gained 5.4 million net subscribers in 2016, representing 75% of the industry's net adds, further expanding its total subscriber base to 24.5 million. This drove TrueMove H's subscriber market share to 27.2% at the end of 2016, up from 23.1% in the previous year (excluding CAT Telecom, TOT and its MVNOs). Its blended ARPU sustained upward trend, increasing to Baht 217 per month in 2016 compared to Baht 171 per month in 2015.

The following table sets forth certain information with respect to the Group's mobile business during the periods indicated:

TrueMove H	AS OF DECEMBER 31,				
	2012	2013	2014	2015	2016
Subscribers					
- Prepaid	18,413,588	19,714,534	19,768,653	14,380,853	18,465,482
- Postpaid	2,558,732	3,161,617	3,878,781	4,726,018	6,060,388
Total Subscribers	20,972,320	22,876,151	23,647,434	19,106,871	24,525,870
Blended ARPU (Baht/Month)	123	124	130	171	217
- Prepaid ARPU	72	59	59	90	122
- Postpaid ARPU	539	577	527	492	505

Pre Pay

TrueMove H's revenue is partly derived from sales of prepaid airtime, which does not require a monthly subscription fee. Subscribers purchase a SIM card with an initial credit balance and can top-up their credit balance through various means, including cash cards, top-up cards, ATMs, the transfer of credit from other TrueMove H phone accounts, and "over-the-air" top-up. TrueMove H also provides subscribers with a mobile payment channel via TrueMoney, True iService and TrueID to meet a new generation of lifestyle needs.

Post Pay

TrueMove H's postpaid service allows customers to choose a monthly service plan comprising voice-only, data-only or voice and data services to match their lifestyles. Top-up packages allow subscribers to purchase voice or non-voice services on top of their monthly package. Subscribers are billed monthly for subscription fees, airtime and the use of other voice and non-voice services.

Voice Services

TrueMove H's subscribers have access to local, domestic and international long-distance dialing. In addition, it offers a variety of value-added services in different combinations according to the airtime package selected. These services include call waiting, call forwarding, call conferencing and caller ID. Additionally, TrueMove H offers 4G HD Voice service, a high quality voice service on TrueMove H's superior 4G network. This 4G VoLTE technology enhances customers' voice communication through high definition quality and 4 times faster call set up than 3G for supported devices. TrueMove H also offers its voice subscribers international roaming services, enabling them to make and receive calls when they are outside of Thailand.

Non-voice Services

TrueMove H provides a range of non-voice services to enhance and meet customer lifestyles. Content is delivered through various channels covering all mobile-accessible channels and web-based services. Non-voice services comprise a variety of popular content, including photo-based communication, financial information services, games, cartoons, screen savers, ring tones, music and sports. TrueMove H's subscribers are increasingly using its non-voice services, in particular downloadable and uploadable pictures, video, as well as the accessing of social networks, through mobile Internet services.

TrueMove H currently groups non-voice services into three main categories:

- >> Messaging, which includes Short Messaging Service ("SMS"), allowing subscribers to send short text messages; Voice SMS whereby subscribers send audio messages to fixed-line and mobile handsets; and Multimedia Messaging Service ("MMS"), allowing the sending of pictures, text and sound/voice in a single-packet message.
- >> Mobile Internet service via 4.5G/4G, 3G, EDGE/GPRS and WiFi technologies which provide subscribers access to a range of data services from their handsets, including email, Internet, VoIP, audio and video services. Additional services include Mobile Chat, a WAP-based instant-messaging service that allows subscribers to engage in online and mobile chat.
- >> Content, which includes Ring-back Tones (personalized ring-back tones and exclusive song selections); Voicemail; and Multimedia Content Services, which allow subscribers to access content such as music, sports, news and finance. TrueMove H is able to use content as a growth driver by leveraging the exclusive content assets of TrueMusic, TrueLife, TrueOnline and TrueVisions.

The rising popularity of smart devices and social networking as well as TrueMove H's network superiority contributed to a surge of mobile Internet usage, driving non-voice revenue up by 45.0 percent YoY to Baht 34.0 billion in 2016; this represented 59 percent of TrueMove H's service revenue (excluding IC and network rental).

Mobile Handsets and Accessories Sales

The Group offers a broad range of mobile handsets and related accessories. Its key handset products are high-quality smartphones and smart devices. True Group also offers a wide selection of 4G and 3G capable handsets under the Group's house brand, capitalizing on synergy with China Mobile such as True Smart 4G 5.5" Enterprise, True Smart Series, and True Super. These competitive devices have received positive market response, facilitating accessibility to 3G and 4G services among a wider range of Thai consumers. Handsets are either sold outright (untied to any service) or tied with TrueMove H's competitive mobile packages.

International Roaming Services

International Roaming Services are value-added services that enable TrueMove H subscribers to use the networks of international operators with whom it has entered into international roaming agreements (Outbound Roaming Service). The roaming services enable customers to call and receive calls, send SMS and use data roaming when travelling abroad in over 200 destinations worldwide. In addition, visitors to Thailand whose network operators have international roaming agreements with TrueMove H can use TrueMove H's cellular network when traveling in Thailand (Inbound Roaming Service).

True Group's cellular business joined Conexus Mobile Alliance in 2008 and reached a strategic partnership with China Mobile in 2014. Conexus Mobile Alliance and China Mobile have combined customer base of approximately 1,130 million at present. As a result, these subscribers can use roaming services in Thailand on TrueMove H's network.

TrueMove H has focused on expanding 4G roaming service, covering 50 countries worldwide, to support travellers through its superior high-speed data service. This, combined with its partnership with international 4G operators, has made TrueMove H the first mobile operator in Thailand whose 4G roaming network covers all continents in the world. TrueMove H's wide range of competitive offerings, catering to various preferences of consumers, enables its customers to choose promotions that best fit their usage demand.

TrueMove H is determined to offer the best quality international roaming services for both voice and data usages at valuable prices, including upgrade options such as Non-Stop data roaming package starting at only Baht 99 per day and voice roaming service that allows customers to call and receive calls starting at only Baht 9 per minute, which supports both prepaid and postpaid customers while travelling abroad via networks of TrueMove H's international partners. In addition, TrueMove H has developed the "Smart Data Roaming Protection" that eliminates customers' concern on excess data charges while continually enhancing quality of its sales and after sales services to deliver customers the best roaming experience when travelling abroad. Subscribers can access the services, including service activation, help and information, additional services subscription as well as e-service on billing and payment, easily through TrueMove H's smartphone application.

Meanwhile, "Thailand - Greater China Number Service", the ultimate innovation from collaboration between True Group and China Mobile, enables subscribers to stay connected whenever travelling to China, Hong Kong and other countries with both China and Hong Kong numbers embedded in one SIM at special tariff rates starting at Baht 5 per minute. This service is in line with Thai business customers' requirement for value and convenient communications when travelling to China and Hong Kong as well as Chinese and Hong Kong consumers who live in Thailand.

International Direct Dialing service

IDD was originally introduced, operated and reported under TrueOnline. At the 2010 AGM, shareholders approved the transfer of TIC to be under True Group's cellular business. TIC was granted a Type Three license from the NTC to provide overseas call services. "True 006" is the premium grade IDD service via "006" prefix. This service offers an unparalleled crystal clear signal without any delay or dropped calls due to high quality transmission technology, Time Division Multiplexing (TDM), with network coverage in over 200 destinations worldwide.

In 2016, the Group's IDD service continued to grow well in both retail and corporate segments. The business continued to capture potential growth in CLMV, comprising Cambodia, Laos, Myanmar and Vietnam and focused on top destinations worldwide including China, India, USA and other Asian countries by introducing various competitive offerings for international call via dialling 006. These include special topping packages, offering competitive rates and premium service quality, which received positive market response. In addition, TIC's wholesale service in serving international telephone traffic continued to grow well, supported by ongoing expansion of its strategic alliances. These, together with the Group's commitment to providing superior service quality, have strengthened its competitiveness and boosted customers' loyalty.

Other IDD services, offering customers with greater value and competitive rates, include "00600" dialing prefix via VoIP technology, "4G Tourist SIM", "Mingalaba 4G SIM" and "Suasadei SIM" for calling to Myanmar and Cambodia, respectively and "NetTalk by True" application, a smart choice calling via internet with more saving rates.

Network

Network superiority is at the core of the Group's strategies. TrueMove H is committed to developing and enhancing its network quality and coverage while increasing mobile accessibility to Thai consumers throughout the country. Its 4.5G/4G, 3G and 2G networks cover 98% of the Thai population, penetrating village level in all 77 provinces of Thailand by combining the strengths of its low-band and high-band frequencies totaling 55 MHz of bandwidth. This, integrated with 3CA (Carrier Aggregation) and 4X4 MIMO technologies capitalizing on TrueMove H's largest numbers of 4T4R base stations in the world totalling 7,000 4T4R base stations, certified by Global Mobile Suppliers Association, provides consumers with an optimum mobile experience, supports rapid demand of data usage and fulfils their lifestyles in this digital age.

TRUEVISIONS

TrueVisions is Thailand's leading nationwide pay TV and HD TV provider, offering its service via digital direct-to-home satellite (DStv) and digital HFC (hybrid-fiber-coaxial) cable network platforms.

TrueVisions was formed in 1998 by a merger of UBC (formerly IBC) and UBC Cable (formerly UTV). TrueVisions operated pay TV services under a 25-year Agreement for Joint Venture in the Membership Television (and Cable Television) Services with MCOT which ended on September 30, 2014 for services via satellite and is due to end on December 31, 2019 for services via cable. Nevertheless, in January 2013, TrueVisions Group secured

the Broadcasting and Television Network licenses from NBTC. This not only extends the Group's pay TV business until at least 2028 but also enables it to successfully migrate customers onto the license-based entity.

TrueVisions provides its DStv service using KU-band and C-band transmission and MPEG-2 and MPEG-4 video compression. This enables TrueVisions to increase the number of channels, improve sound and picture quality, control access to its signal, and distribute its service everywhere in Thailand. This service is transmitted via Thaicom satellite. TrueVisions provides its cable TV services using networks of True Group's subsidiaries, namely TM and TU.

At the beginning of 2006, TrueVisions was successfully integrated into the Group following the acquisition of TrueVisions shares which increased True Group's effective shareholding to 91.8 percent. In 2010, TrueVisions was restructured into TrueVisions Group. This was aimed at facilitating operations, especially the obtaining of pay TV licenses from the regulator, and business growth opportunities. True Group's effective holding in True Visions Group Company Limited, which is a holding company for the Group's pay TV business, was 100.0 percent. True Group indirectly held 99.5 percent in True Visions Public Company Limited and 99.1 percent in True Visions Cable Public Company Limited, as at December 31, 2016.

On October 8, 2009, the MCOT Board of Directors approved for TrueVisions to air advertising subject to revenue sharing of 6.5 percent. Following this decision, TrueVisions began gradually introducing paid advertising while ensuring the viewer experience was not impacted. TrueVisions Group entered the digital TV business by acquiring two licences for news and variety channels from the NBTC in April 2014. Its digital TV channels "True4U" and "TNN24" have received positive market feedback. This paves the way for solid advertising growth while facilitating TrueVisions opportunity to market its content through a much larger viewer base.

TrueVisions has continued to differentiate and strengthen its platform while further enhancing consumers' viewing experience through a comprehensive range of world-class quality content, particularly in high definition format, as well as exclusive partnership with several world's leading content providers. TrueVisions offers a variety of top local and international content comprising movies, sports, infotainment and news, as well as innovative premium value-added-services such as High Definition Personal Video Recorder and TrueVisions Anywhere, allowing access to TrueVisions' content anywhere, anytime via multiple platforms.

In 2016, the business further affirmed its leadership in live broadcasting sports by securing the rights to broadcast all matches of English Premier League on beIN Sports channels in Thailand for three seasons from 2016/2017 to 2018/2019, in addition to other top major soccer leagues including Spain's La Liga, Italy's Calcio Serie A, France's Ligue1, USA's Major League Soccer, plus Toyota Thai Premier League. At the same time, TrueVisions strengthened its mass-market strategy by offering competitive convergence propositions, bundling with other products and services within True Group, and producing quality content that match preferences of Thai consumers. Meanwhile, the hybrid set-top box campaign has gained traction and broadened TrueVisions' opportunity to market its content through a wider audience, paving the way for incremental advertising revenue and upselling potential. All these resulted in its record high net additions in 2016, driving TrueVisions' customer base to 3.9 million.

The following table shows the number of TrueVisions customers and ARPU for the periods indicated:

TRUEVISIONS	AS OF 31 DECEMBER,				
	2012	2013	2014	2015	2016
Subscriber breakdown					
Premium package	435,498	342,535	310,593	292,460	290,394
Standard package	307,507	418,739	629,379	1,108,019	1,694,611
FreeView package	564,198	739,769	584,751	478,836	409,573
Free-to-air box	735,057	869,929	947,047	1,184,160	1,535,457
Total subscribers	2,042,260	2,370,972	2,471,770	3,063,475	3,930,035
ARPU (Baht/Month)	870	895	715	523	379

Convergence Packages

True Group provides consumers with value offerings through unique and attractive convergence packages, bundling products and services within the Group, that suit their various preferences and lifestyles at competitive prices. The Group's comprehensive range of convergence propositions under campaigns "True Smart choice" and "TRUE Super Speed FIBER" comprises TrueOnline's fiber broadband Internet, TrueVisions' quality channels, TrueMove H's voice and data usage as well as fixed-line telephone call. In addition, consumers can select top-up packages according to their demand and usage. These offerings have received strong market response and continued to play crucial roles for customer acquisitions and stickiness. True Group believes convergence is the key strategy to build sustainable growth to its products and services.

Marketing Strategy

True Group determines to provide high-quality telecommunications services through superior network quality and coverage utilizing on advanced technologies, tailored and digitized solutions, and convergence offerings across its wired and wireless broadband, voice service and television platform that suit various preferences of consumers. The Group believes that demand has shifted towards convergence and digital services that can fulfill all lifestyle needs. These marketing strategies give it competitive advantages while facilitating a greater market share and lowering churn rates. Service excellence as well as localized and micro-targeted marketing activities to better respond to diverse preferences of each customer group are also keys to further accelerate growth.

Distribution and Sales

To reach the consumer segment, True Group offers all of its services through shops in the BMA and the provinces. Each of these outlets is staffed by its personnel and is equipped for one-stop shopping, offering a range of wireline and wireless communications services, pay TV services, handsets, accessories, modems and other telecommunications equipment, as well as, in the case of the larger True stores, Internet access. True Group also sells its products and services throughout Thailand through accredited dealer shops, independent distributors and dealers who work on a commission basis.

True Group's sales and distribution channels include:

- >> True Shop and True Authorized Reseller at retail shops under Com7 located in high visibility and high traffic locations, such as shopping malls, hypermarkets, and office buildings. TrueSphere, the first class co-working space providing customers with the infinite first-class service experience through True Group's comprehensive services and advanced technologies, also falls into this category;
- >> True Partner and True Dealer
- >> Multi-retailers and chainstores located in hypermarkets, specialty stores, and convenience store chains including 7-Eleven;
- >> Wholesale partners who purchase deactivated SIM cards and top-up cards, mobile devices and accessories from the Group for distribution onto sub-dealers, manage sub-dealers and provide logistical support. Wholesale partners primarily sell True Group's prepaid SIM cards and top-up cards. Sub-dealers also provide other services such as mobile handset repairs as well as music and games downloads;
- >> The direct sales channel markets True Group's services to SME and corporate clients. The Group further categorizes the direct sales channel into direct sales teams, direct sales agents, and freelances; and
- >> Telesales and e-commerce such as iTruemart

For top-up services, the Group offers several electronic channels in addition to using physical cards (i.e. Cash card and Top-up card) as follows:

- >> ATM – Subscribers can top up by transferring funds directly from their bank account;
- >> TrueMoney, True iService and TrueID – Mobile payment services;
- >> E-cash card – Airtime purchases can also be made over the counter at True Group's partners such as 7-Eleven;
- >> Direct top up – Customers can use a device installed at several of the Group's own locations as well as its partners, such as 7-Eleven, to directly top-up their accounts (an online top-up transaction is also categorized as a direct top-up); and
- >> Top-up kiosk and True top-up machines offering more convenience for True Group's customers in conducting transactions for all of the Group's products

In addition, TrueMove H airtime can be sold through independent non-mobile agents or "over-the-air" airtime resellers such as individuals or small shops who are provided with a special SIM card to allow airtime transfer to end users. These agents can refill their airtime credit through several means (e.g. Cash card, Top up card and ATM). Electronic channels have become increasingly popular among True Group's customers due to the variety of payment methods and the increased number of electronic top-up locations, thus effectively saving costs associated with physical cards (production, logistics and warehousing, etc.).

Procurement of Products and Services

Network Acquisition

True Group primarily imports network equipment directly from leading telecommunications technology suppliers from around the world. The Group has also employed a number of suppliers to assist in network acquisition and installation to expand its service coverage and, as such, is not dependent upon any specific distributor or supplier. In addition, True Group is well positioned to enjoy an economy of scale when purchasing network equipment by leveraging on synergies with China Mobile.

Technical and Management Support

In the past True Group and its subsidiaries acquired technical and management support from strategic partners: Verizon Communications Inc for True, Orange SA for TrueMove and MIH for TrueVisions. No further support has been provided from these partners since they sold or reduced their shareholdings. These strategic partners all transferred substantial telecommunications expertise to True Group during the time when they were its shareholders and its management team is capable of operating without their support. Meanwhile, the strategic partnership with China Mobile since 2014 brought about collaboration and support in terms of personnel, knowledge and best practices sharing, further strengthening True Group's efficient operations.

Thai Telecommunications Industry and Competitive Landscape

Mobile Business

Thailand's mobile industry grew well in 2016 given the accelerating demand for 4G and non-voice services especially through the interactive social networking sites and applications such as Facebook, Twitter and Instagram as well as the rising adoption of smartphones and smart devices. These positive trends should continue to be the key drivers for further pushing growth in 2017 as Thailand is moving towards more digitization.

Competition in the Thai mobile market, nevertheless, remained intense throughout the year after the 900MHz and 1800MHz spectrum auctions held in late 2015. Operators actively rolled out and highlighted their 4G network and speed, utilizing advanced technologies such as Carrier Aggregation and MIMO, throughout the country while enticing prepaid and 2G users to migrate to postpaid as well as 3G and 4G platforms. Additionally, the introduction of customer retention programs coupled with several value-added campaigns, particularly 4G/3G device-bundling packages, as well as the handset subsidy campaigns played a crucial role for acquiring subscribers and growing revenues.

At the end of 2016, total subscribers in Thailand's mobile market (excluding subscribers of CAT Telecom, TOT and its MVNOs) was 90.0 million, increasing from 82.8 million at the end of 2015. Postpaid and prepaid subscribers grew healthily in 2016, standing at 17.5 million and 72.5 million, respectively. TrueMove H's subscriber acquisition in 2016 achieved robust growth and outgrew the industry in both prepaid and postpaid markets. It gained 5.4 million net subscriber, representing 75% of the industry's net addition during the year. TrueMove H ended 2016 with 24.53 million subscribers, accounting for 27.2 percent of the market (excluding subscribers of CAT Telecom, TOT and its MVNOs), comprising 18.47 million of prepaid subscribers and 6.06 million of postpaid subscribers.

Competitive intensity in the Thai mobile market should continue in 2017 as operators continue to attract customers through improved network and faster speed, value-for-money offerings and more digital services. The revised and faster mobile number portability process is also expected to affect the competitive landscape. TrueMove H is

well-positioned to further accelerate growth and serve consumers' fast-growing demand for data and speed as network superiority for both speed and coverage nationwide and value convergence offerings remain at the core of the Group's strategies. Being granted the "Most Significant Development of a Commercial LTE Network" from the 5G & LTE Asia Awards arranged by Informa Telecom & Media, Singapore, in 2016 has affirmed TrueMove H's mobile broadband leadership with world-class standard as well as its commitment to providing best communication services to consumers.

Fixed-line Telephone Business

The fixed-line market in Thailand is currently serviced by TOT, which is the only nationwide provider of local and domestic long-distance fixed-line telephone services in Thailand, and True, which provides fixed-line telephone services under agreements to operate granted by TOT in the BMA while further expanding its licensed fixed line plus service bundling with the Group's fiber broadband campaign in upcountry areas.

The number of fixed-line subscribers in Thailand continued to decline, driven by consumers' rising demand towards mobile usage as well as increasing smart device adoption. In 2016, Thailand's fixed-line subscribers decreased to 4.8 million representing 7.2% of the Thai population, compared to 7.9% at the end of 2015 (Source: NBTC as of 30 November 2016). True Group was the largest fixed-line operator in the BMA with approximately 1.3 million subscribers, accounting for 26.0 percent of the overall market.

Broadband Internet and Business Data Services

Thailand broadband Internet market has witnessed reasonably strong growth over the past few years due to rising trend of online media consumption given increasing popularity of online content, games and social networking, which further pushed demand for higher Internet speeds. Broadband subscriber base in Thailand increased 13.0 percent from the previous year to 7.0 million in 2016, driving the household penetration rate to 33.0% compared to 29.2% in 2015 and 26.4% in 2014 (Source: NBTC as of 30 November 2016). TrueOnline remained the largest broadband operator in Thailand with the total broadband Internet subscribers of 2.8 million, representing approximately 39 percent share of the Thai broadband market.

Notwithstanding, the broadband Internet access in Thailand was relatively low compared to other Asian countries. According to the World Economic Forum survey in 2016, the network readiness index indicated that Thailand's Internet access by household ranked 62th in the world (improving from ranked 88th in 2015) while other Asian countries such as Singapore, Hong Kong and Malaysia were ranked 1st, 12th, and 31st respectively (Source: WEF, The Global Information Technology Report 2016). The government's direction to transform the country to Thailand 4.0 will accelerate broadband coverage and penetration throughout the country, reducing the digital divide while transforming the kingdom into a digital society.

The competitive dynamic of the Thai broadband Internet market has been heightened partly from the new player with short-period discount while the incumbents have attracted customers through upgrading speeds and technology. During 2016, the Fibre-to-the-home (FTTH) offerings continued to grow strongly along with an expanded broadband network, supported by both public and private sectors. TrueOnline secured its leading position and achieved an all-time high net addition in 2016 driven by ongoing fiber network expansion while capitalizing on True Group's competitive convergence propositions, which have continued to receive overwhelming response from the market, despite competition.

Meanwhile, the business data market in Thailand continued to grow in 2016 due to rising demand for online data transmission and an increase in corporate Internet users. Competition among a large number of operators and suppliers of alternatives remained high throughout the year. True Group was the largest business data provider with an estimated 25.2 percent share in 2016 while the second and third largest players accounted for 19.1 percent and 18.1 percent, respectively (Source: True Group's estimation).

Pay TV Business

Thailand had approximately 6.8 million pay TV households representing a pay TV penetration rate of around 30 percent in 2016 (Source: Media Partners Asia "MPA"). TrueVisions is the leading pay TV and HD TV provider with the total customer base of 3.9 million.

The pay TV business in Thailand has been pressured by economy, piracy, increasing competition from both legal and illegal alternatives including various new digital TV players post the granting of digital TV licenses in 2014; consumers' rising trend towards alternative online consumption, particularly streaming content via Internet, and popularity of online media such as Youtube and Facebook Live also continued to affect the pay TV market.

TrueVisions as the country's largest pay-TV and HD TV operator continued to grow its revenue and customer base, underpinned by its fully-diversified platform with a wide variety of leading international and local contents as well as bundling its pay-TV service with True Group's integrated media platforms such as mobile, fixed broadband and digital platform. Given the Group's strong convergence proposition, TrueVisions has strengthened its position especially in the mass markets. These combined with its up-selling strategy to entice existing customers to upgrade to higher-end packages present a potential growth for TrueVisions amid competitive intensity.

Licenses obtained by True Group's subsidiaries and associates

	TRUE'S SUBSIDIARIES/ ASSOCIATES	TYPE	BUSINESS	VALIDITY	DATE OF BOARD APPROVAL	EXPIRY DATE
Internet Service Provider (ISP) license						
1	KSC Commercial Internet (KSC)	1	ISP	5 years	23 Jun 2014	22 Jun 2019
2	True Internet (TI)	1	ISP	5 years	18 Aug 2014	17 Aug 2019
3	True International Gateway (TIG)	2	International Internet Gateway & Internet Exchange (IIG & IX)	5 years	19 May 2016	18 May 2021
Telecommunications license						
4	KSC Commercial Internet (KSC)	1	Resale IPLC	5 years	11 Nov 2014	10 Nov 2019
5	True Internet (TI)	1	International Calling Card (ICC)	5 years	11 Oct 2014	10 Oct 2019
6	True Universal Convergence (TU)	1	Resale PSTN (GPRS, DSL) & leased circuit/channel services	5 Years	26 Aug 2014	25 Aug 2019
7	True Move H Universal Communication (TUC)	1	Resale fixed-line telephone & GPS tracking services	5 Years	11 May 2016	10 May 2021
8	Real Move (RMV)	1	Resale mobile services	5 years	16 Dec 2015	15 Dec 2020
9	True Universal Convergence (TU)	3	Fixed Line Service	20 years	8 Dec 2006	7 Dec 2026
10	True International Communication (TIC)	3	International Direct Dialing (IDD)	20 years	25 Jan 2007	24 Jan 2027
11	True International Gateway (TIG)	3	International Private Leased Circuit (IPLC)	15 years	11 Nov 2009	10 Nov 2024
12	True Move H Universal Communication (TUC)	3	Wireless network service 2.1 GHz	15 years	7 Dec 2012	6 Dec 2027
			Wireless network service 1800 MHz	17 years 9 months	4 Dec 2015	15 Sep 2033
			Wireless network service 900 MHz	15 years 3 months	16 Mar 2016	30 Jun 2031

	TRUE'S SUBSIDIARIES/ ASSOCIATES	TYPE	BUSINESS	VALIDITY	DATE OF BOARD APPROVAL	EXPIRY DATE
Broadcasting and Television license						
13	True Visions Group Co., Ltd.	Broadcasting and Television Network	Subscription Television Network Service	15 years	21 Jan 2013	20 Jan 2028
14	True4U Station Co., Ltd.	Broadcasting and Television Service (Digital TV)	Digital Terrestrial Television Service	15 years	25 Apr 2014	20 Apr 2029
15	Thai News Network Co.,Ltd.	Broadcasting and Television Service (Digital TV)	Digital Terrestrial Television Service	15 years	25 Apr 2014	20 Apr 2029

RISK FACTORS

True Group sees significant growth opportunities in year 2016 for all core business segments after achieving key milestones particularly in mobile service business. The foregoing notwithstanding, True Group and/or its subsidiaries could possibly face a variety of risks that may impact on operations as follows:

SPECIFIC RISKS WHICH MAY ARISE FROM ACQUISITION OF 1800 AND 900 MHZ IMT SPECTRUM LICENSE

FINANCIAL RISK

The Company may have financial risk from expending such a high investment amount for the auction fees of the Spectrum Licenses and investment in telecommunication networks subject to such Licenses. However, the Company believes that there would be rapidly growth of income after commencing full mobile services on the telecommunication networks of the 1800 MHz IMT and 900 MHz IMT Spectrum in 2016 which shall reduce the Company's financial risk. Moreover, the due date of payment conditions, for both auction fee and investment cost, which spread the long term burden at the period of 4-5 years, would help the Company to generate more income to settle its financial burdens as abovementioned.

COMPETITIVE RISK

The Company may have additional risks from the increasing of business competition because other operators prevent their customers from migrating to use the Company's services. However, the Company anticipates that such risk is a short term risk and the Company has several measures to minimize such risk; for example, increasing of service centers to provide more convenience to customers or adjusting sale promotions to compete with other operators.

RISK IN CASE THE COMPANY CANNOT PROVIDE TELECOMMUNICATION NETWORK IN A TIMELY MANNER ACCORDING TO CONDITIONS AND CRITERIA SET OUT BY NBTC

The risk that the Company may not be able to provide the full coverage of telecommunication network in a timely manner according to conditions and criteria set out by NBTC may be arisen from the delay of the base station construction resulted from resistance of people in such area. Moreover, the risk may arise from act of god, for example, natural disaster, riot, terrorism, etc. including the construction and/or relocation of underground network in relevant areas, which may impact to delay the installing of other systems. However, the Company has measure to mitigate such risk i.e. the Company plans to set up 1800 MHz and 900 MHz Spectrum telecommunication network by using existing tower of 2100 MHz telecommunication network which can reduce duration of setting up the network and risk.

RISKS RELATED TO BUSINESS OPERATIONS

RISKS RELATED TO MARKET COMPETITION

The Company and its subsidiaries will continue to face intensifying competition in the telecommunications market after the progression into a more liberalized landscape. The competition continues to increase after the NBTC hold the auction of 1800 MHz spectrum in November 2015 and 900 MHz spectrum in December 2015 and May 2016. Operators continued to focus on expanding network coverage, introducing mobile packages together with various devices to increase market share and growth as the demand for mobile internet service is rising continuously and to further acquire and migrate subscribers from 2G to 3G and 4G services. True Group, however, has a competitive edge over other operators since it has determined to provide the best value service to its customers through high quality network. True Group's 4G and 3G network coverage has reached 80 per cent and 97 per cent population coverage nationwide respectively. Furthermore, True Group won both spectrum auctions which will enable the mobile operators under True Group to offer services and promotion campaigns including True Group's attractive convergence campaigns. True Group has a competitive advantage given the strength of its highly-trusted brand which should strengthen its continuous revenue growth.

The Company's fixed-line business unit still faces growing competition from mobile phone business and VoIP services as service fees for those businesses are lower than service fees for traditional fixed-line services although the fixed-line services may have better quality. Furthermore, the Company's Joint Operation Agreement will expire in October 2017.

In the broadband Internet market, even though the market has new operator but True Group's major competitors are still TOT and 3BB which have continued to expand their services in the BMA, which is TrueOnline's core market. However, TrueOnline's broadband Internet offerings via advanced and efficient FTTx and DOCSIS 3.0 technologies, which also support cable TV services, give it a competitive edge over other high-speed Internet providers. This enables True Group to generate a higher return on investment than its competitors while also providing customers with high-value offerings through a combination of the Group's various products and services. In addition, TrueOnline continued to expand network coverage further into provincial areas which represent a larger market and greater potential for revenue growth than the BMA alone. Its broadband network already reached 5 million households nationwide with a target to cover 10 million households in 2016.

While True Group expects overall competition across all of its businesses to remain intense, True Group has a competitive advantage given the strength of its brand and its ability to provide fully-integrated services and diverse content via its convergence strategy. These bundled offerings differentiate True Group from other operators.

RISKS UNIQUE TO TRUEVISIONS

Key risks relating to TrueVisions' operations include relying on third-party suppliers for international content as well as rising competition in the pay TV and digital TV segments after the NBTC granted 24 nationwide digital terrestrial TV licenses in April 2014 which offer variety of content, resulting in operators competing on acquiring market share and key content and competing with TrueVisions' business. TrueVisions may incur higher content-acquisition expenses as a result. In addition, the unauthorized access to TrueVisions' programming signals, or piracy, also has an impact on its business. If TrueVisions is unable to obtain attractive programming or if the cost of this programming substantially

increases in the future, its performance would be adversely affected. Moreover, if TrueVisions could not renew the broadcasting rights of particular channels or programs and have to cancel such channels or programs, subscribers may terminate the subscription contracts or may exercise their legal rights. Subscribers who are interested in overseas programs typically subscribe to premium packages which, at the end of 2016, were approximately 200,000 subscribers of TrueVisions's overall subscribers.

True Group believes that TrueVisions' superior-quality content, most of which is exclusive, continued popularity of its own-produced content, and the competitive convergence campaigns are its key competitive advantages. In addition, TrueVisions' large customer base and its extensive experience in the pay TV industry assure content providers that it can provide a stable revenue stream. This has kept the business relationships content providers have established with TrueVisions attractive and reliable.

In addition, NBTC's regulations, for example, the channel lineup regulation and the channel cancellation regulation, which requires TrueVisions to inform such cancellation for a specific period in advance, create risk to TrueVisions' ability to comply with those regulations. Furthermore, there are risks that arise from uncertain regulations including the NBTC's discretion on some issues such as advertising, content and remedial measures of channel cancellation.

RISKS OF TRUEVISIONS RELATING TO THE POTENTIAL COLLECTION OF ROYALTY FEES FOR COPYRIGHTED CONTENT

It is TrueVisions' policy to broadcast (video and/or audio) content that was produced in-house or for which it has obtained the broadcasting rights from the original publishers. It is TrueVisions' understanding that when granted broadcasting rights of any content, the channel providers have obtained relevant rights and permission for such content. Additionally, TrueVisions has entered into a contract with the Royalty Collection Organization to guarantee the payment of royalties for musical works accompanying with the copyrighted content.

Despite TrueVisions' best effort, there is a risk that the copyright owner is not a member of the Royalty Collection Organization which may result in legal claims if the content is broadcasted without permission.

RISKS FROM TECHNOLOGICAL CHANGE

The communications industry is characterized by rapid changes in technology, evolving customer needs which are driven by the evolution of new products and services, and regulatory changes. These changes have contributed to the opening up of the market and the introduction of new technologies. These aforementioned factors are expected to continue to affect Thailand's communications industry in the future. Due to the need to respond to new technological trends, True Group may experience significant increases in investment and operating expenses. Failing to invest in new technology may result in a decline in the Group's competitiveness and lower levels of customer satisfaction.

However, True Group believes that with diversified services, products, revenue and customer bases, it is in a better position to cope with these changes and retain revenues within the Group than operators that only provide a single service.

RISKS RELATED TO THE REGULATORY ENVIRONMENT

MOBILE NUMBER PORTABILITY RISKS AND LIMITATION

Since the mobile operators has launched Mobile Number Portability or MNP services, allowing customers to change their mobile carriers without changing their phone numbers, this MNP service creates robust competition in the mobile market to persuade customers to use each mobile operator's service and when combine with the new mobile operator may cause True Mobile Group to lose some customers to other mobile operators. Furthermore, other mobile operators may deny or prevent customers from porting to use True Mobile Group's service.

RISKS FROM CHANGES IN THE REGULATORY ENVIRONMENT WHICH WILL CREATE RISKS FOR OPERATORS

Presently, government agencies such as the Government or the NBTC has promulgated and revised many rules and regulations which may put True Group in a regulatory risk from enforcement or different interpretations between True Group and different government agencies.

RISKS FROM THE ALLOCATION OF FREQUENCIES FOR OPERATING MOBILE BUSINESSES

TUC has been granted 2.1 GHz, 1800 MHz and 900 MHz spectrum licenses from the NBTC. This will likely result in intensifying competition in mobile market while True Group is obliged to pay for spectrum fees and to invest in network roll out as required by the terms of the auctions and licenses. In addition to investment for expanding services under 850 MHz, 4G service and other technologies, True Group will have to build and expand both network and equipment to serve services under various spectrum.

True Group believes that the winning of 1800 MHz and 900 MHz spectrum auctions will allow True Group to provide variety of services which increases choices to consumers who want efficient mobile service that can better satisfy every group of customers. True Group also believes that True Group's services under 2.1 GHz and 850 MHz spectrum together with the additional 2 bands of spectrum will be able to adequately fulfill customer needs and True Group will continue to be the leading 3G 4G and other technologies service provider.

RISKS RELATED TO THE EXPIRY OF TRUEMOVE'S AGREEMENT TO OPERATE WITH CAT AND THE JOINT OPERATION AGREEMENT TO OPERATE A FIXED-LINE SERVICE WITH TOT, WHICH MAY RESULT IN AN INCREASE IN ONGOING OPERATING EXPENSES FOR THE BUSINESS.

To ensure the continuity of True Mobile Group's business which could be affected by the expiry of TrueMove's Agreement to Operate with CAT on the 1800 MHz frequency in September 2013, TUC has been granted with the 1800 MHz spectrum license and the telecom service license which valid until September 15th, 2033. Also, on March 16th, 2016, TUC has been granted with the 900 MHz spectrum license and the telecom service license which are valid until March 15th, 2031.

The NBTC Notification on Protection for Subscribers upon the Expirations of Concession Agreements or the Agreement to Operate B.E. 2013 (“the Protection of Subscribers Notification”) stipulates that CAT and TrueMove, as the operators pursuant to such notification, had a duty to submit a subscriber protection plan detailing a plan to communicate to all subscribers about the concession expiration, a plan to inform subscribers of their right to use MNP services and operating expenses to be used in maintaining network quality while a number of subscribers have continuously declined. In addition, the notification barred CAT and TrueMove from registering new subscribers and stipulates that CAT and TrueMove should receive revenues for the provision of services on behalf of the state and must specifically segregate the received amount into an account; then, CAT and TrueMove must report the amount of revenues and interest after deducting network-related expense, numbering fees, administrative expenses and other costs relating to the provision of services. The remainder must be delivered to the Office of the NBTC for its verification prior to converting the remainder into public revenue. Currently, the NBTC has set up a working committee to examine the revenues, expenses and other cost relating to the provision of services. The Office of the NBTC sent a letter to TrueMove to notify the NTC’s resolution that TrueMove has to deliver its income from providing mobile service under 1800 MHz spectrum during September 16th, 2013 to July 17th, 2014 which equals to 1,069,983,638.11 Baht together with any interests to the Office of the NBTC. Since TrueMove thinks that such resolution is unlawful, TrueMove has submitted further evidence to the NTC and asked for reconsideration. Eventually, TrueMove filed a complaint to revoke such resolution and the case is currently in the Central Administrative Court’s process. However, there is a risk that the NTC may order TrueMove to submit additional income from providing mobile service under 1800 MHz spectrum during the customer protection period which is after July 17th, 2014 until 00:00:01 of December 3rd, 2015 which was the last day of the customer protection period as notified by Office of the NBTC.

As a result of the Protection of Subscribers Notification, TrueMove received a complaint from CAT which filed a lawsuit against the Office of the NBTC, the NTC, the NBTC, TrueMove and DPC at the Administrative Court, asking the Court to order TrueMove, the Office of the NBTC, the NTC, and the NBTC to pay CAT compensation for the use of telecommunication equipment and network which have been submitted to CAT after the expiry of TrueMove’s Agreement to Operate with CAT on the 1800 MHz frequency, calculated from September 16th, 2013 to December 3rd, 2015. In this case, TrueMove has submitted a deposition and relevant document. Moreover, the Joint Operation Agreement between the Company and TOT for fixed-line and value-added services will expire in October 2017. After the Joint Operation Agreement has expired the Company may face risks from losses of revenue shared from TOT. However, TU, which is a True Group’s subsidiary (in which the Company holds a stake of 99.99 per cent), has been granted a license for nationwide fixed-line and broadband Internet services (Type 3 License). To lower True Group’s risks, TU has continuously expanded its network. Moreover, the new broadband network via DOCSIS 3.0 and FTTH technologies can also be utilized for providing high-quality, cost-efficient voice services.

RISKS FROM THE DISPUTE WITH TOT REGARDING TOT’S CALL FOR TRUEMOVE AND CAT TO PAY ACCESS CHARGES, WHICH MAY RESULT IN AN INCREASE IN FUTURE EXPENSES

On May 9, 2011 TOT filed a lawsuit against CAT and TrueMove with the Central Administrative Court requesting AC payment of Baht 41.54 billion. After that, TOT submitted a supplementary plaint to amend the claimed AC payment together with the value added tax until the expiry date of the AC agreement which was September 16th, 2013. Also, CAT requested for interests calculated from late 2006 depending on each circumstance until July 10th, 2014. Therefore, the principle in which TOT claims CAT and TrueMove to jointly liable is changed to approximately Baht 59.62 billion together with interests calculated from July 10th, 2014 until the payment is completed. The case is currently in the Central Administrative Court’s process.

In this matter, the Company and its legal advisor are of view that TrueMove has no commitment to pay for AC as TOT requested. However, the result of such case is currently unpredictable, therefore, the Company and its subsidiaries did not record such amount as expenses or set accrue for the claim under this case in their financial reports. If the final judgment is not in favor of True Group, TrueMove may have to make payment for penalty together with interests. Then, TrueMove may be required to pay both AC and IC which would result in a material increase in cost.

TRUEMOVE MAY HAVE RISKS FROM A CAT'S DISPUTE REQUESTING TRUEMOVE TO HAND OVER AND TRANSFER THE OWNERSHIP OF 4,546 TOWERS, TOWER EQUIPMENT AND 59 STATIONS OF GENERATOR AND EQUIPMENT TO CAT

As CAT filed a plea with the arbitration panel asking TrueMove to handover and transfer to CAT the ownership rights to 4,546 towers and tower equipment and if Truemove does not do so then, TrueMove would have to compensate CAT for damages of Baht 2,766.16 million, the arbitration panel unanimously ruled to dismiss CAT's claim. After that, CAT filed a petition to the Central Administrative Court to revoke such arbitration panel's ruling. However, CAT filed a petition to withdraw such petition and the Central Administrative Court allowed for case dismissal.

In addition, CAT filed another arbitration case against TrueMove, asking TrueMove to hand over and transfer to CAT the ownership rights to 59 stations of generator and equipment. It also asked that in case TrueMove fails to do so for whatever reasons, TrueMove will be obliged to pay CAT the total compensation of Baht 39.57 million. This case is currently being considered by the arbitration panel.

RISKS FROM DISPUTES OVER EXCISE TAX

As the Cabinet approved the zero-rate excise tax (from originally imposed an excise tax of 2 percent and 10 percent for fixed-line phones and mobile phones, respectively), the zero-rate excise tax allows TOT and CAT to receive full revenue share or benefits. During the implementation of the excise tax regime the total amount paid by the private operators to government agencies (Ministry of Finance and TOT/CAT) remained the same. There are currently a number of disputes between private telecom firms and state counterparties relating to this issue including the shortfall in benefits payable to TOT and CAT. Currently, CAT filed an appeal of the judgment of the Central Administrative Court which dismissed the petition for revocation of the arbitral award which ruled that Truemove did not have to pay benefits to CAT in the amount of Baht 8.96 billion with the Supreme Administrative Court. The case is now in the Supreme Administrative Court's proceedings.

Moreover, CAT also asked TrueMove for indemnification of value added tax relating to the excise tax's part of the benefits, penalty fees and additional payments evaluated by the Excise Department, claims for which CAT had already lost the case in the tax court as well as the cost of litigation and the fees which were the damages for not performing according to the Agreement, totaling Baht 1,302.8 million (calculated till the end of March 2012) and for which CAT may bring before the arbitration panel. However, True Group and its legal advisor are of view that TrueMove has no commitment to make such payment. However, the result of such case is currently unpredictable, therefore, Truemove did not record as expense or set accrue for the claim under this case in the financial report. If the future ruling or the judgment of such case or the final outcome of the case which has not been claimed is not in favor of TrueMove, TrueMove may have to make such payment and record such revenue sharing and value added tax as expense and additional accrued expense which calculated to be the principle amount of not more than Baht 10.27 billion.

TOT filed an arbitration case claiming shared revenue from the fixed line business from which the Company received more than its right of Baht 1.47 billion including interest. The Company filed a plea to the Central Administrative Court to dismiss the arbitration panel's ruling which ordered the Company to pay the shared revenue including interests as TOT requested. The Case is currently in the process of the Central Administrative Court. Earlier TOT sent a letter demanding that the money TOT provided to the Company from January, 2003 through December, 2006, to pay excise tax and additional tax to the Ministry of Interior on behalf of TOT, in the amount of Baht 1,479.6 million, including a 7.5 percent interest and value-added tax as required by law, be returned within February 15, 2011. In this case, the Company asserts that it is not bound to return the money to TOT because it had paid excise tax and additional tax to the Ministry of Interior per the direction of TOT. The Excise Department has already issued a tax invoice under TOT's tax ID. Hence, The Company neither breached the contract nor broke the law and therefore is not bound to return the money to TOT. In addition, the claim requests the same money TOT seeks in the arbitration.

RISKS FROM DISPUTES OVER REVENUE SHARING

As CAT filed a plea with the arbitration panel requesting Truemove to pay for revenue shortfalls as a result of TrueMove deducting IC cost from the gross revenue before sharing to CAT for the 10th – 17th years of operation in the amount of Baht 18.55 billion, on September 1st, 2015, the majority of the arbitration panel ruled that TrueMove had to pay to CAT for revenue shortfalls for the 15th year of operation in the amount of Baht 1.57 billion together with 15 per cent penalty per annum from such principle calculating from December 14th, 2011 to the date of payment completion. TrueMove filed a petition to dismiss such arbitration ruling to the Central Administrative Court on December 4th, 2015. The case is currently in the process of the Central Administrative Court.

True Group and its legal advisor are of the view that TrueMove has no commitment to make such payment. However, the result of such case is currently unpredictable, therefore, Truemove did not set accrue for the claim under this case in the financial report. Currently, the case is in the process of the Central Administrative Court. If the future ruling or the judgment of such case is not in favor of TrueMove, TrueMove may have to make such payment and record such revenue sharing as expense and additional accrued expense.

The result of such arbitration ruling allows Truemove not to include the revenue from IC in the revenue sharing calculation to CAT. Therefore, on January 18th, 2016, Truemove filed an arbitration case requested CAT to return the revenue sharing that Truemove sent to CAT from the operation year 11 to operation year 17 which was calculated from the IC revenue and was not the revenue from providing cellular service (Digital PCN 1800) under the Agreement in the amount of Baht 11.82 billion including 15% interest per annum from the date of the arbitration filing until complete the payment to Truemove. The case the currently in the process of the arbitration.

RISKS RELATED TO ONGOING DISPUTES BETWEEN CAT AND AN ACQUIRED SUBSIDIARY FROM HUTCHISON GROUP

Hutchison CAT Wireless Multimedia Limited which was one of the companies that True Group acquired from the Hutchison Group has ongoing disputes with CAT that may result in True Group booking expenses of Baht 1.44 billion and could have further negative impacts on other business relationships between True Group and CAT.

CAT filed for arbitrations against HutchCAT which is a subsidiary that True Group acquired. In the first case, CAT demands for Baht 1,204 million, however, HutchCAT has counterclaimed damages from CAT in the amount of Baht

2.54 billion under the Agreement for Marketing Services of Cellular Digital AMPS 800 Band A system. The arbitration panel ruled to dismiss CAT's claim and HutchCAT's counterclaim. CAT filed a petition to dismiss the ruling of the arbitration panel to the Central Administrative Court on December 25th, 2015. In the second case, CAT demanded Baht 241 million under the same agreement. On August 13th, 2015, the arbitration panel ruled that HutchCAT had to pay Baht 91,834,965.56 including 7.5 per cent interests per annum and dismissed CAT's claim of Baht 146,816,433.54. HutchCAT submitted a plea to withdraw the arbitration ruling to the Administrative Court. Both cases are currently in the process of the Central Administrative Court.

In addition, in January 2013, CAT sent a letter to the bank asking for a payment of approximately Baht 63 million in accordance with the bank guarantee, citing that the Hutchison Group breached the Agreement for Marketing Services of Cellular Digital AMPS 800 Band A system, the Agreement for Marketing International Roaming Services and the Agreement related to care. HutchCAT filed a lawsuit against CAT together with asking for injunction at the Civil Court requesting CAT to cease its claim against the bank asking for a payment in accordance with the bank guarantee, to prohibit CAT from receiving payment under such bank guarantee and to order CAT to compensate HutchCAT of approximately Baht 63 million as damages. Later, the Civil Court granted the injunction temporarily ordering CAT to cease its claim against the bank asking for a payment in accordance with the four bank guarantees and not to receive payment under such bank guarantees. However, the Civil Court ruled that this case is concerning administrative contract and ordered the case to be transferred to the Administrative Court. Currently, this case is combined with the case mentioned below.

On March 20, 2014, CAT filed a lawsuit at the Central Administrative Court against HutchCAT, BFKT, and bank who issued letters of guarantee for the payment, citing that HutchCAT breached the Agreement for Marketing Services of Cellular Digital AMPS 800 Band A system, the Agreement for Marketing International Roaming Services and the Agreement related to care taking of CDMA services customers and claimed for damages from HutchCAT of approximately Baht 1.27 billion and from HutchCAT and BFKT of approximately Baht 298.40 million. HutchCAT and BFKT filed a petition to object CAT's claim and the case is currently in the process of the Central Administrative Court. Although HutchCAT and BFKT believes it does not breach the contracts and CAT's petition has not been ruled by the arbitration or the court yet that HutchCAT and BFKT violated the Agreement, there is a risk that bank will pay CAT in accordance with the bank guarantee, resulting in True Group having to pay such money back to the bank.

RISKS FROM THE DISPUTE ON COLLECTION OF CUSTOMER IDENTIFICATION AND RECORDS

TrueMove filed a case against the NTC, acting on behalf of the NBTC and the NBTC's secretary-general, at the Central Administrative Court on the disputes relating to the collection of data and details of prepaid customers under the NTC's Notification Re: Rules on the allocation and management of telecommunications number B.E. 2551. TrueMove requested revocation of Clause 38 and Clause 96 of the notification and of the resolution and ruling by the NTC and, acting on behalf of the NBTC and of the order of the NBTC's secretary-general, to enforce the regulation against TrueMove. The Central Administrative Court ruled in favor of TrueMove. However, the NBTC has appealed the decision of the Central Administrative Court to the Supreme Administrative Court. TrueMove expects to file a plea by March 5th, 2017. As a result of the notification of the Office of the NBTC regarding the collection of prepaid customer identification and records requiring all mobile operators which provide prepaid service to collect customer information (SIM card registration) by July 31st, 2015 and can cease their services to customers who do not register their SIM cards within such period in accordance with the terms and conditions of the telecommunication service agreement, TrueMove TUC and RealMove had advertised to the customers and TrueMove TUC and RealMove could

collect customer data and information and complete the collection, there is a risk that if TUC and/or RealMove fails to collect prepaid customer information, TUC and/or RealMove may be given an administrative order.

RISKS FROM DISPUTES ON MOBILE PREPAID SERVICES

The office of the NBTC sent a notification letter, requesting that TrueMove revise the terms and conditions of its existing prepaid promotions – so as to no longer force customers to use up their credit within the validity period – and to no longer create any promotion with a fixed validity period. Later, The office of the NBTC set administrative fine at Baht 100,000 per day. TrueMove submitted the appeal to revoke such order to the NBTC and also filed a complaint to the Central Administrative Court to revoke such order. However, the Central Administrative Court ruled in favor of the NBTC and did not revoke such order. Thus, TrueMove has appealed such decision to the Supreme Administrative Court and the case is currently in the process of the Supreme Administrative Court.

RISKS FROM INTERCONNECTION CHARGES FOR THE FIXED-LINE BUSINESS

The NTC approved the temporary IC rate for fixed line at Baht 0.36 per minute. This placed the Company at risk of being charged IC from other mobile operators. In terms of the Company's fixed line business, this also means the Company may incur increased expenses in the future. A certain operator has petitioned the NTC to force the Company to enter an IC agreement for fixed-line business and later petitioned for the collection of IC revenue from True Group's fixed line business. However, the Company believes it is not bound to pay the IC charges because the Joint Operation Agreement for fixed line businesses between the Company and TOT required that the Company invest, provide, install and maintain the equipment and for TOT to collect revenues from customers and share the revenues with the Company at the rate stipulated in the Joint Operation Agreement. On August 3, 2010, the Company filed an appeal with the Central Administrative Court opposing the NTC's notification of the temporary IC rate. The Central Administrative Court later overruled on December 26, 2012. The case is currently in the process of the Supreme Administrative Court.

On February 4, 2011, DTAC filed a petition with the Central Administrative Court asking the Company and TOT to pay network usage and telecommunications connection fees of Baht 3.28 billion. However, in the Company's opinion, DTAC has no right to charge the Company the telecommunications connection fee. Currently, the case is in the process of the Central Administrative Court.

RISKS FROM A POSSIBLE INVESTIGATION INTO CONTRACTS RELATED TO THE PURCHASE OF SHARES IN HUTCHISON GROUP COMPANIES AND THE 3G HSPA AGREEMENTS BETWEEN CAT AND TRUE GROUP

True Group opposed the order of the NTC, acting on behalf of the NBTC as the NBTC's secretary-general notified the Company and RealMove. Such resolution and order required an amendment to the agreement to merge by purchasing shares in the Hutchison Group to be in accordance with the NTC's notification on Merger and Acquisition in Telecommunication Business B.E. 2553 (2011) and an amendment to the agreement with CAT regarding providing mobile service in CDMA and HSPA systems to be in accordance with the NTC's notification on Measurement to Prevent Monopoly and Unfair Trade Practice in Telecommunication Business B.E. 2549 (2006) and the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E. 2553 (2010). The Company and RealMove are of view that such NTC's resolution and order are unclear and

unlawful, therefore, the Company and RealMove filed a lawsuit against the NBTC and the NBTC's secretary-general to the Central Administrative Court on December 2nd, 2011 requesting the revocation of the resolution and order. On February 23rd, 2015, the Central Administrative Court revoked the NTC acting on behalf of the NBTC's order from the 30/2554 resolution on September 28th, 2011. The revocation is retroactive to the date in which the order has been made. Currently, the NBTC and the NBTC's secretary-general have submitted the appeal to revoke the decision of the Central Administrative Court to the Supreme Administrative Court and the case is in the process of the Supreme Administrative Court.

RISKS IN RELATION TO TRUE-CAT'S 3G HSPA PROJECT

As True Group and CAT have proceeded with their obligations under the HSPA agreement, there are disputes, some of which have been settled while others are still under negotiation process to settle the remaining liabilities. Therefore, there is a risk that CAT may ask companies under True Group to pay for the unsettled debts including interests. Presently, True Group is negotiating the disputes with CAT which may cause True Group to pay for the unsettled part, including its interests. However, the final outcome is currently unpredictable, therefore, True Group did not set accrue for the damages or expenses which may arise from such issue in the financial report.

RISKS RELATED TO THE FACT THAT TRUE GROUP COMPETE WITH TOT AND CAT WHO ARE THE GRANTORS OF THE JOINT OPERATION AGREEMENT AND THE AGREEMENT TO OPERATE, RESPECTIVELY, A FACTOR WHICH HAS LED TO AND COULD CONTINUE TO LEAD TO DISPUTES WITH THE GRANTORS, WHICH COULD AFFECT TRUE GROUP'S OPERATIONS

The Company and its subsidiary TrueMove operate under the Joint Operation Agreement and the Agreement to Operate, granted by TOT and CAT, respectively. TrueMove's Agreement to Operate with CAT already expired on September 15, 2013. During period which TrueMove operated and provided services under temporary measure together with the NCPO's mandate and other relevant rules, TrueMove and CAT are of different views regarding the obligation to be a service provider and the rights to use equipment. This dispute with either CAT or TOT could affect the ability of the Company and its subsidiaries to conduct business.

In the case of the Joint Operation Agreement for the Company's fixed-line service with TOT, if dispute arises TOT, which collects all fixed-line revenues from subscribers within the network and makes payment to True Group of its proportion stipulated by the revenue-sharing provisions of the Joint Operation Agreement, may withhold or delay payments of revenues to the Company to offset any obligations it believes it is legally owed by the Company. Presently, some services under the Joint Operation Agreement suffer losses, therefore, True Group tries to reduce the service or terminate the service. There is a risk that TOT may think that the Company is breaching the agreement in any material respect and may cause TOT or CAT to terminate the Joint Operation Agreement and the Agreement to Operate. The aforementioned matters could also affect TrueMove. For example, TrueMove might incur expenses related to equipment usage, according to the Agreement to Operate, for providing services to customers on the 1800 MHz spectrum during the temporary measure and NCPO's mandate; although CAT views that the temporary measure mandates that TrueMove to absorb these expenses, there is no clarity whether, according to the aforementioned measure, TrueMove has an obligation to do so.

RISKS FROM LICENSING THE OPERATIONS OF THE TELEVISION AND/OR TELECOMMUNICATIONS BUSINESSES

The NBTC's regulatory policy affects changes in overall business structure, resulting in an even more intensifying competitive landscape. True Group may be put at risk from uncertainty and inequality of the NBTC's regulation policy between the previous concessionaires that shift to become the licensees and the new licensees, resulting in an advantage and disadvantage among players in the same or related markets. Furthermore, True Group might incur incremental costs of providing services from regulations that might be imposed in the future including the risk from new regulatory and competition rules which impose on the licensees under True Group. The NBTC's regulation on channel lineup and the Office of the NBTC's regulation on service or product advertisement rules for subscription network provider and subscription service provider can affect TrueVisions' business and free TV providers under True Group. By not complying with such regulations, the NBTC may deny or not allow relevant license extension which may result in True Group's subsidiaries being fined or prosecuted or can no longer continue their businesses. Presently, the NBTC granted two national business licenses to provide digital terrestrial TV service to True Group subsidiaries which won the spectrum auction in 2014, a national subscription network license to TrueVisions and national subscription service licenses to TrueVisions and True Group's subsidiaries.

RISKS RELATING TO THE FINANCIAL SITUATION

RISKS RELATED TO TRUE GROUP'S LEVERAGED POSITION

The Company and its subsidiaries had interest-bearing debt (short-term, current portion of long-term and long-term borrowings excluding financial leases) totaling Baht 111.8 billion at the end of 2016, increasing from Baht 92.3 billion at the end of 2015 due to additional borrowings to support the Group's network and service expansion, including license fee payment. Meanwhile, the capital increase in June 2016 and strong EBITDA growth strengthened the Group's capital structure with the net debt to EBITDA ratio declining to 2.5 at the end of 2016 compared to 3.7 times a year earlier. True Group's future funding source may include additional borrowing and/or debenture issuance. As such, it may be at risk of not being able to obtain reasonable funding for principal repayments and/or interest payments and its business expansion plan could be affected. Nevertheless, the Company and/or its subsidiaries should be able to raise new borrowings to repay existing debts and adjust their principal repayments to be in line with their cash flows. In addition, the Group has various funding sources including cash flow from operations, which has been significantly improved, vendor financing, potential future assets divestment to DIF and its unit holding in the fund.

RISKS FROM FOREIGN EXCHANGE RATE AND INTEREST RATE MOVEMENTS

As at December 31, 2016, True Group had no consolidated non-current borrowings (excluding finance leases) denominated in foreign currencies.

The carrying amounts and fair values of certain non-current borrowings (excluding finance lease liabilities) are as follows (see more details in the note to financial statements section 27):

	Consolidated			
	Carrying amounts		Fair values	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Debentures	55,038.06	50,979.65	53,427.55	51,184.11
Suppliers credit	-	258.27	-	384.26

Additionally, a part of True Group's payables is US dollar denominated. In order to manage the risks arising from fluctuations in currency exchange rates, the Group adopts the following foreign currency risk management practices:

- >> entering into forward foreign exchange contracts;
- >> negotiating payment terms for foreign currency settlements on an individual transaction basis; and
- >> negotiating with foreign suppliers to share foreign exchange exposure.

Transaction risk is calculated in each foreign currency transaction and is projected six months forward. Estimated future exchange rates are based on forecasted information supplied by recognized research and financial analysis. These are compared against premiums on forward exchange contracts, and after making adjustments for the related risk, a decision is taken on whether to cover foreign currency transactions. Transactions, if hedged with forward exchange contracts, are not hedged on a net basis, but rather on a transaction by transaction basis

Risks from impairment of investments/ assets

True Group normally conducts thorough valuations and feasibility of each project before investing or acquiring assets. A test for impairment is carried out when there is a factor indicating that an investment might be impaired. Therefore, the Group does not foresee any material impairment risk in its financial reports.

Risks from having majority shareholders holding more than a 50-percent stake in the Company

As at 7th July 2016, the group of majority shareholders who held more than 50 percent in True was CP Group which comprised Charoen Pokphand Group Co., Ltd. and its affiliated companies. The CP Group totally held 56.20 percent of the total issued and paid-up shares of True. In this regard, investors may be exposed to a risk from the circumstance in which majority shareholders hold more than a 50-percent stake in True. This is because the group of majority shareholders may control agenda which require majority votes, such as appointments of directors. Therefore, retail shareholders may not be able to accumulate sufficient votes to check and balance agenda proposed by the majority shareholders. However, the Board of Directors focuses on operating the business guided by the principles of corporate governance. The Company has provided the opportunity for minority shareholders to propose the Annual General Meeting's agenda and nominate candidates to be selected as directors of the Board prior to the Annual General Meeting. With regard to matters related to major shareholders and transactions that may result in a conflict of interest with the Company, the Company processes the matter in accordance with procedures set forth in the "Connected Transaction Regulation" which strictly follows the legal framework.

EMERGING RISKS

RISKS RELATED TO DATA PRIVACY & SECURITY

Information and communications technology (ICT) has a prominent role in the daily life of today's society. As consumers gain more access to gigabytes of data at increasing speeds in the era of the Internet of Things (IoT) and Big Data, and increasing amounts of personal information are stored in cloud technology, Telecom service providers need to manage data appropriately and legally, in order to ensure customer data privacy and security.

The increase in data and technological advancements in data transmission and storage implicate the increasing risk of data breach and cyber crime. If the data security system is not up to date with rapid technology changes, there is a risk of negative impact on consumers and the Company. This would negatively affect the credibility of the data security system, the Company's reputation, and bottom line. Therefore, the management and system of data privacy and security are of utmost importance.

The Company has a Data Privacy & Security Policy and Information Security Management (ISM), which complies with ISO 27001, a Data Access Policy for business units, as well as a Third-Party Security Policy. The Company continuously improves and develops data security system to prepare for future technology, using a penetration test and loophole check, along with fostering ethical conduct and responsibility in handling data among employees at all times.

RISKS RELATED TO DIGITAL CAPABILITIES

Rapid technological advancement and increasing consumer demand in the digital era require the Company to develop both the digital infrastructure and business model to adapt to the expanding value chain, as well as develop innovative products and services. In order to be a leader in technology and respond to changing consumer lifestyles, the Company needs to continuously develop digital innovation capabilities, including the infrastructure, organizational agility, and the role in the evolving digital ecosystem.

The delay in the business model and innovation development would compromise business operations and opportunities. In the era of increasing competition in the telecom sector, the digital infrastructure and devices would become obsolete if they are not up to date with new technology. The business model must continuously improve in order to meet rapidly changing consumer expectations and needs in the digital era, or the Company's efficiency and competitiveness will decline and decrease revenue.

The Company regularly reviews and develops its business policy to enable flexibility rapid adjustments. The Company invests in digital infrastructure and innovation through both in-house development and partnerships in order to develop its capabilities and competitiveness. Moreover, the Company continuously develops its human capital with a focus on innovation and technology, in terms of process and product, with consideration of economic, social, and environmental factors.

RISKS FROM CLIMATE CHANGE

Climate Change is the result of greenhouse gas emissions from human activities, including overconsumption of natural resources. As global warming results in more frequent natural disasters, Thailand has faced major floods in the northern and central parts in 2011, and in the south in 2016.

In the telecom sector, climate change resulting in severe weather events and natural disasters can affect underground transmission lines, radio towers, and duration of various equipment, resulting in service interruption and possibly fatality among surrounding communities and workers, as well as property damage.

The Company assesses direct and indirect impact from climate risks, and plans readiness and mitigation measures, including utilization of the flood detection innovation “iSAAC”, solar power, and regular maintenance of network systems.

CORPORATE AND OTHER SIGNIFICANT INFORMATION

CORPORATE INFORMATION

TRUE CORPORATION PUBLIC COMPANY LIMITED

True Corporation Public Company Limited (“the Company”), with the security symbol “TRUE” on the Stock Exchange of Thailand, was established on 13th November 1990 initially under the name of CP Telecommunication Co., Ltd. with authorized capital of Baht 1,000 million to undertake a major telecommunication infrastructure project, and registered as a public company limited on 11th February 1993. The Public Company Registration No. 0107536000081

As at 31st December 2016, the Company’s authorized capital is Baht 133,474,621,856 divided into 33,368,655,464 ordinary shares with a par value of Baht 4 per share. The Company’s paid-up capital is Baht 133,472,781,204 divided into 33,368,195,301 ordinary shares with a par value of Baht 4 per share.

The Company’s head office is located at:

18 True Tower, Ratchadapisek Road,

Huai Khwang, Bangkok 10310

Telephone: (662) 643-1111 Fax: (662) 643-1651

Website: www.truecorp.co.th

Information of the Company’s subsidiaries, associated companies and other investments

COMPANY NAME	ADDRESS	TYPE OF BUSINESS	PAID-UP CAPITAL	% OF INVESTMENT
AP&J Production Co., Ltd.	105/1, Thetsaban Songkhro Road, Ladyao, Jatujak, Bangkok 10900 Tel. (662) 954-3512 Fax. (662) 954-3513	Entertainment	THB 16.67 million divided into 166,667 ordinary shares with a par value of Baht 100 each and fully paid up.	70.00
Asia Wireless Communication Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Mobile equipment Lessor	THB 5,720.92 million divided into 1,144.18 million ordinary shares with a par value of Baht 5 each and fully paid up.	100.00

COMPANY NAME	ADDRESS	TYPE OF BUSINESS	PAID-UP CAPITAL	% OF INVESTMENT
Bangkok Inter Teletech Public Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding Company	THB 16,229 million divided into 6,491.74 million ordinary shares with a par value of Baht 2.50 each and fully paid up.	99.74
BeboydCg Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Production of animation	THB 124.67 million divided into 12.47 million ordinary shares with a par value of Baht 10 each and fully paid up.	84.67
BFKT (Thailand) Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Mobile equipment Lessor	THB 23,358.32 million divided into 233.58 million ordinary shares with a par value of Baht 100 each and fully paid up	100.00
Cineplex Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Program production	THB 1,283.43 million divided into 128.34 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
Hutchison CAT Wireless MultiMedia Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Dormant	THB 950 million divided into 95 million ordinary shares with a par value of Baht 10 each and fully paid up	68.20
Hutchison MultiMedia Services (Thailand) Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Dormant	THB 230 million divided into 23 million ordinary shares with a par value of Baht 10 each and fully paid up	100.00
Hutchison Telecommunications (Thailand) Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Dormant	THB 54 million divided into 3.6 million ordinary shares with a par value of Baht 15 each and fully paid up	100.00

COMPANY NAME	ADDRESS	TYPE OF BUSINESS	PAID-UP CAPITAL	% OF INVESTMENT
Hutchison Wireless MultiMedia Holdings Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding company	THB 10 million divided into 590,000 ordinary shares and 410,000 preference shares with a par value of Baht 10 each and fully paid up	92.26
Internet Knowledge Service Center Co., Ltd.	2/4 Samaggi Insurance Tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Non-government telecommunication	THB 50 million divided into 12 million ordinary shares with a par value of Baht 10 each, 2.67 million ordinary shares fully paid up and 9.33 million ordinary shares call-up Baht 2.50 each	56.93
KSC Commercial Internet Co., Ltd.	2/4 Samaggi Insurance Tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Internet services provider	THB 153.04 million divided into 15.3 million ordinary shares with a par value of Baht 10 each and fully paid up.	56.83
MKSC World Dot Com Co., Ltd.	2/4 Samaggi Insurance Tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Internet services and distributor	THB 139.64 million divided into 13.95 million ordinary shares and 0.01 million preference shares with a par value of Baht 10 each fully paid up.	91.08
Panther Entertainment Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 725-7400 Fax. (662) 725-7401	Artist management and related business	THB 555 million divided into 105.5 million ordinary shares with a par value of Baht 10 each 15.50 million ordinary shares fully paid up and 90 million ordinary shares call-up Baht 4.44 each.	99.99
Real Move Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Reseller of mobile phone services	THB 7,000 million divided into 70 million ordinary shares with a par value of Baht 100 each and fully paid up.	99.74
Samut Pakan Media Corporation Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Dormant	THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up.	99.69

COMPANY NAME	ADDRESS	TYPE OF BUSINESS	PAID-UP CAPITAL	% OF INVESTMENT
Sattellite Service Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Sales and rental of equipment related to Pay Television	THB 1,338 million divided into 223 million ordinary shares with a par value of Baht 6 each and fully paid up.	99.53
SM True Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Artist management and related business	THB 20 million divided into 0.2 million ordinary shares with a par value of Baht 100 each and fully paid up.	51.00
Song Dao Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Dormant	THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up.	99.67
Tele Engineering and Services Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Content provider	THB 25 million divided into 2.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
Telecom Asset Management Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Marketing Management	THB 2.5 million divided into 1 million ordinary shares with a par value of Baht 10 each and call-up Baht 2.50 each.	100.00
Telecom Holding Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding Company	THB 34,661 million divided into 4,332.62 million ordinary shares with a par value of Baht 8 each, and fully paid up.	100.00
Telecom KSC Co., Ltd.	2/4 Samaggi Insurance Tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Dormant	THB 250,000 divided into 100,000 ordinary shares with a par value of Baht 10 each and call-up Baht 2.50 each	34.39

COMPANY NAME	ADDRESS	TYPE OF BUSINESS	PAID-UP CAPITAL	% OF INVESTMENT
Thai News Network (TNN) Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	News Channel	THB 1,600 million divided into 20 million ordinary shares with a par value of Baht 100 each, 10 million ordinary shares fully paid up and 10 million ordinary shares call-up Baht 60 each.	100.00
True Distribution & Sales Co., Ltd.	18 True Tower, Rachadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Distribution Center Services	THB 16,301 million divided into 163.01 million ordinary shares with a par value of Baht 100 each and fully paid up.	99.70
True4U Station Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Television and related business	THB 3,260 million divided into 70 million ordinary shares with a par value of Baht 100 each, 10 million ordinary shares fully paid up and 60 million ordinary shares call-up Baht 37.67 each.	100.00
True Icontent Co., Ltd.	18 True Tower, Rachadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Contents provider	THB 201 million divided into 20.1 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
True Incube Co., Ltd.	18 True Tower, Rachadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding Company	THB 40 million divided into 16 million ordinary shares with a par value of Baht 10 each and call-up Baht 2.50 each.	100.00
True Information Technology Co., Ltd.	18 True Tower, Rachadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	IT services and training	THB 1,347 million divided into 134.7 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
True International Communication Co., Ltd.	18 True Tower, Rachadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication services	THB 22 million divided into 850,000 ordinary shares with a par value of Baht 100 each, 10,000 ordinary shares fully paid up and 840,000 ordinary shares call-up Baht 25 each.	100.00
True International Gateway Co., Ltd.	1 Fortune Town Building, 15 th Floor, Rachadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Telecommunication and internet service	THB 436 million divided into 4.36 million ordinary shares with a par value of Baht 100 each and fully paid up.	100.00

COMPANY NAME	ADDRESS	TYPE OF BUSINESS	PAID-UP CAPITAL	% OF INVESTMENT
True Internet Co., Ltd.	1 Fortune Town, 14 th , 27 th Floors, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Internet solutions service provider	THB 1,770.24 million divided into 275.28 million ordinary shares with a par value of Baht 8 each, 75.28 million ordinary shares fully paid up and 200 million ordinary shares call-up Baht 5.84 each	100.00
True Internet Corporation Co., Ltd. (formerly True Universal Convergence Co., Ltd.)	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication services	THB 10,000 million divided into 100 million ordinary shares with a par value of Baht 100 each and fully paid up.	100.00
True Life Plus Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication services reseller	THB 2,195 million divided into 257.5 million ordinary shares with a par value of Baht 10 each, 97.5 million ordinary shares fully paid up and 160 million ordinary shares call-up Baht 7.625 each	100.00
True Media Solutions Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Advertising sale and agency	THB 25 million divided into 2.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
True Move Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication management services	THB 3,387.07 million divided into 677.41 million ordinary shares with a par value of Baht 5 each and fully paid up.	99.70
True Move H Universal Communication Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Wireless Telecommunication services	THB 141,959.30 million divided into 14,195.93 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
True Multimedia Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	NON-POTS and multimedia service	THB 6,562 million divided into 656.2 million ordinary shares with a par value of Baht 10 each and fully paid up.	91.08

COMPANY NAME	ADDRESS	TYPE OF BUSINESS	PAID-UP CAPITAL	% OF INVESTMENT
True Music Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Content provider	THB 200,000 divided into 20,000 ordinary shares with a par value of Baht 10 each and fully paid up.	99.67
True Music Radio Co., Ltd.	23/6-7, 2 nd - 4 th Floor, Soi Soonwijai, Rama 9 Road, Bangkapi, Bangkok Tel. (662) 641-4838-9 Fax. (662) 641-4840	Trading and production of advertising media	THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up.	69.94
True Public Communication Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication services	THB 97 million divided into 970,000 ordinary shares with a par value of Baht 100 each and fully paid up.	100.00
True Touch Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Call centre services	THB 173.70 million divided into 1.93 million ordinary shares with a par value of Baht 90 each and fully paid up.	100.00
True United Football Club Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Football Club and related activities management	THB 320 million divided into 32 million ordinary shares with a par value of Baht 10 each and fully paid up.	70.00
True Visions Public Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Pay Television	THB 2,266.72 million divided into 755.57 million ordinary shares with a par value of Baht 3 each and fully paid up.	99.53
True Visions Cable Public Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Pay Television via cable system	THB 7,608.65 million divided into 760.86 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.10
True Visions Group Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Pay Television	THB 24,516.70 million divided into 305.17 million ordinary shares with a par value of Baht 100 each, 225.17 million ordinary shares fully paid up and 80 million ordinary shares call-up Baht 25 each.	100.00

COMPANY NAME	ADDRESS	TYPE OF BUSINESS	PAID-UP CAPITAL	% OF INVESTMENT
True Vistas Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Production and distribution of movies films	THB 46.63 million divided into 4.66 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
K.I.N. (Thailand) Co., Ltd.	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	100.00
Gold Palace Investments Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 15.22 million divided into 15.22 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Golden Light Co., Ltd.	Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	Holding Company	USD 17.72 million divided into 17.72 million ordinary share with a par value of USD 1 each and fully paid up.	100.00
Goldsky Co., Ltd.	Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	Holding Company	USD 4.97 divided into 4.97 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Rosy Legend Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	99.74
Prospect Gain Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	100.00
True Internet Technology (Shanghai) Company Limited	Room 2202-05, Johnson Building, No.145 Pujian Road, Shanghai 200127, P.R.China Tel. (86) 21 5889 0800 - 8049 Fax. (86) 21 5889 0800 - 8033	Developing, designing, producing and sale of software products	USD 16 million divided into 16 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
True Trademark Holdings Company Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 4.97 divided into 4.97 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Asia Infonet Co., Ltd.	1 Fortune Town, 14 th , 17 th Floors, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Internet Service Provider	THB 15 million divided into 1.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	65.00

COMPANY NAME	ADDRESS	TYPE OF BUSINESS	PAID-UP CAPITAL	% OF INVESTMENT
BEC-TERO True Visions Co., Ltd.	3199 Maleenont Tower, 28 th Floor, Rama 4 Rd., Klongton, Klongtoey, Bangkok 10110 Tel. (662) 204-3333 Fax. (662) 204-1384	Sport and Entertainment	THB 50 million divided into 0.5 million ordinary shares with a par value of Baht 100 each and fully paid up.	50.00
Transformation Films Co., Ltd.	6, Soi Nak Niwat 12 , Nak Niwat Road, Lat Phrao, Lat Phrao, Bangkok 10230 Tel. (662) 932-5600 Fax. (662) 932-5600	Manufacturing and filmmaker	THB 175 million divided into 1.75 million ordinary shares with a par value of Baht 100 each And fully paid up.	28.57
True CJ Creation Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Production House	THB 80.85 million divided into 1,108,800 ordinary shares and 46,200 preference shares with a par value of Baht 100 each, 10,000 ordinary shares fully paid up and 1,145,000 ordinary shares call-up Baht 69.74 each.	51.00
True Voice Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Voice recognised service and related software and hardware	THB 24 million divided into 240,000 ordinary shares with a par value of Baht 100 each and fully paid up.	55.00
True GS Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Home shopping	THB 340 million divided into 3.4 million ordinary shares with a par value of Baht 100 each and fully paid up.	46.80
NEC Corporation (Thailand) Co., Ltd.	159 Sermmit Tower, 2 nd and 24 th Floor, Sukumvit 21, Klongtoey Nua, Wattana, Bangkok 10110	Telecommunication equipment manufacturer	THB 350.30 million divided into 350,300 ordinary shares with a par value of Baht 1,000 each and fully paid up.	9.42
Thai Smart Card Co., Ltd.	191 Silom Complex Building, 27 th Floor, Room No. 2, Silom Road, Bangrak, Bangkok 10500	Central Service Bureau for clearing electronic payment transactions	THB 1,600 million divided into 160 million ordinary shares with a par value of Baht 10 each and fully paid up.	15.76
Clearing House for Number Portability Co., Ltd.	98, Sathorn Square Office Tower, Room No. 403, 4 th Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500	provide mobile number portability service	THB 2 million divided into 20,000 ordinary shares with a par value of Baht 100 each and fully paid up.	19.97

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OTHER SIGNIFICANT INFORMATION

1. The restructuring of the Company's Management

In the beginning of the Year 2017, the Company changed its Management structure. In this regard, the Board of Directors Meeting of the Company held on 17th February 2017 has passed the following important resolutions:

- (1) Appointed Mr. Suphachai Chearavanont as the Chairman of the Executive Committee effective from 21st February 2017 onwards; and
- (2) Appointed Mr. Vichaow Rakphongphairoj and Mr. Adhiruth Thothaveesansuk as the Presidents (Co) effective from 21st February 2017 onwards.

2. Summary of Agreements in Relation to the Businesses Operation of the Group

- (1) The Joint Operation and Investment Agreement (the "Agreement"), entered into by TOT Public Company Limited (then the Telephone Organization of Thailand) and True Corporation Public Company Limited (then C.P. Telecommunications Company Limited) on 2nd August 1991, and amended on 8th September 1995. Such Agreement has a term of 25 years, commencing from 31st December 1992, or the date TOT received the first delivery of system equipment from the Company, whichever is earlier (29th October 1992 - 28th October 2017)

The Agreement's objective is to expand the fixed-line telephone service within the metropolitan telephone area by two million numbers and 600,000 numbers (respectively in accordance with the consequences of the aforementioned Agreement). The nature of the Agreement is Build-Transfer-Operate (BTO), where True Corporation Public Company Limited (the "Company") has a duty to provide and transfer the ownership of the equipment in the system to TOT Public Company Limited ("TOT"). Such equipment in the system under the Agreement is defined in the definitions under clause 1 therein as "System Equipment," which means any equipment in the Company network which is part of the telecommunications systems and other equipment used jointly in the system, such as telephone exchange equipment, outside plant, local area network, which the Company will provide and will transfer the ownership of to TOT in accordance with appendix 5 and the parties' agreement to amend it from time to time. The Company must deliver the system equipment which has been completely installed to TOT and cause the ownership of such system equipment to be vested in TOT immediately. In addition, during the term of this Agreement, the Company shall maintain the system equipment which had been vested in TOT to be in good operable condition at all times at a standard no lower than the standard used by TOT in its network.

Under such Agreement, the Company has the following rights:

- >> the right to use, possess, and maintain the system equipment, land, buildings and other properties which the Company has supplied and transferred the ownership thereof to TOT or transferred the leasehold right

to TOT, as the case may be, and the right to seek benefits from the system equipment, land, buildings and other properties under the Agreement;

- >> the right to receive the benefits as agreed upon by the Company and TOT where a third-party uses a special service through the network of the Company;
- >> the right to receive the benefits as agreed upon by the Company and TOT, where TOT uses a special service through the network of the Company;
- >> the right to receive damages or compensation where TOT restricts the rights of the Company; and
- >> the right to use the land, buildings, materials and equipment of TOT to the extent authorized by TOT without any charges.

Based on the operations under the Agreement, TOT shall be responsible for collecting charges from lessees (service users). With regard to the service charges with respect to the two million telephone numbers, TOT will share the revenue actually received before deducting the costs to the Company at the rate of 84%; and with regard to the services charged with respect to the 600,000 telephone numbers, TOT will share the revenue actually received before deducting the costs to the Company at the rate of 79%.

The Right to Terminate the Joint Operation and Investment Agreement

- >> TOT is entitled to terminate the Agreement in the cases described below. Before exercising the right to termination, TOT will give one-month's prior written notice to the Company, but if it is a case that can be rectified, TOT will give the Company a written notice to take appropriate action or make improvement within the period as specified by TOT, which shall not be less than six months. If the Company is unable to make improvement within such period, TOT is entitled to terminate the Agreement.
 - The Company violates the law on public disaster prevention or the law on state security.
 - The Company is placed under absolute receivership by a court's order in a bankruptcy case.
 - The Company willfully and continuously breaches the Agreement in any material respects.
- >> The Company is not entitled to terminate the Agreement, except in the cases described below. Before exercising the right to termination, the Company shall give TOT written notice to take remedial or appropriate action within the period specified by the Company, which shall not be less than six months. If TOT is unable to make improvement or correction, the Company will give TOT written notice of termination.
 - TOT willfully and continuously breaches the Agreement in any material respects, causing the Company to be unable to comply with the Agreement.
 - The government, any state agency or TOT revokes the right or undertakes any act which prejudices the right of the Company, considerably affecting the operations of the Company to the extent that it is unable to operate the business under the Agreement.
 - The Company did not receive the relevant revenue share or other money as specified in the Agreement.

(2) The Agreement for the Operation of a Service Business of Leasing High-Speed Signal Transmission Circuits via a Multimedia Network (the "Agreement"), entered into between TOT Public Company Limited (then the Telephone Organization of Thailand) and True Multimedia Company Limited (then Asia Multimedia Company Limited). This Agreement was entered into on 20th October 1997, with a term of 20 years, effective from the date of execution of the Agreement.

The objective of this Agreement is to operate a service business of leasing high-speed signal transmission circuits, both in digital and analog systems, to provide services to general users or entitled persons and/or persons granted the right to be a provider of services through the multimedia network. The nature of the Agreement is Build-Transfer-Operate (BTO), where True Multimedia Company Limited (the "Company") has

a duty to transfer the ownership of the equipment and accessories in the system, which the Company installed in addition to the multimedia network used in the provision of services under the Agreement, to TOT. The Company must provide maintenance for all system equipment and accessories which are owned by TOT to ensure they are in good and functional condition at all times. If any equipment or part is lost or damaged to the extent it is not functional, the Company shall replace or repair the same to its functional state. In operating under this Agreement, the Company has allocated its 18,525,000 shares to TOT, which does not have to pay for such shares.

Under the Agreement, the Company has the following right:

- >> the exclusive right to possess the assets of which the title is vested in TOT;
- >> the right to use TOT's indoor space where a high-speed circuit will be installed;
- >> the right to lease TOT's network at the rate specified by TOT in order to use such network for provision of services; and
- >> the right to connect the network to TOT's exchange and telecommunications network.

With regard to the right to termination, under the Agreement, TOT is entitled to terminate the Agreement if the Company is unable to habitually operate the business under the Agreement or breaches any of the provisions of the Agreement.

- (3) The Joint Operation Agreement for the Provision of Subscription Cable Television Services (the "Agreement"), entered into between MCOT Public Company Limited (then the Mass Communication Organization of Thailand) and True Visions Cable Public Company Limited (then Thai Cable Vision Public Company Limited), with a term of 25 years, commencing from 1st January 1995 to 31st December 2019, with the first amendment on 7th September 1994, second amendment on 9th November 1994, third amendment on 17th April 1998, and fourth amendment on 8th October 2009, and the Memorandum of Agreement between MCOT Public Company Limited and True Visions Cable Public Company Limited, dated 8th October 2009

The objective of this Agreement is to jointly operate a business providing subscription cable television services, where True Visions Cable Public Company Limited (the "Company") is granted the right to operate a business of providing subscription cable television services.

The Company has a duty to comply with the Agreement by delivering all assets and delivering all receiver equipment to MCOT Public Company Limited ("MCOT"), namely the transmission equipment such as the head-end equipment and broadcast studio equipment. The delivery of such equipment, which is worth no less than Baht 50 million, shall be made to MCOT by 1st January 1995, and the equipment, which is worth no less than Baht 120 million, shall be delivered to MCOT within five years from the date of the second amendment (9th November 1994). The ownership of the receiver equipment, namely the Set-Top Converter system of the members, shall be vested in MCOT upon the expiry of the Agreement. In this regard, the Company shall invest a total of no less than Baht 100 million for use in the business operation, which are expenses in relation to the supply of equipment and accessories. The Company has a duty to maintain the equipment and tools to ensure they are in good functional condition at all times. In operating under this Agreement, the Company agrees to pay consideration for the joint operation in the amount of 6.5% of gross revenue in each year before the deduction of any expenses.

With regard to the termination of the Agreement, it is specified that if the Company fails to comply with any of the provisions therein, MCOT shall give written notice to the Company to comply with the Agreement within

a reasonable time. Should the Company fail to take appropriate action in the specified period, the Company must give written clarification to MCOT. Upon considering the clarification, MCOT shall once again notify the Company to take appropriate action within a reasonable time. If the Company fails to comply within this specified time, MCOT is entitled to demand damages or order the suspension of the provision of services and/or is entitled to immediately terminate the Agreement. Where the Cabinet resolved that termination is necessary for state security, MCOT is entitled to terminate the Agreement in whole or in part by giving at least 180-days' prior notice to the Company.

- (4) HSPA Equipment-leasing agreement to provide mobile service (the "HSPA Equipment-Leasing Agreement") between CAT Telecom as the Lesser and BFKT as the Lessor dated 27th January 2011, for the period of 14.5 years (27th January 2011 - 3rd August 2025) and the attached MOU dated 27th January 2011 and dated 17th February 2011.

The Objective of HSPA Equipment-Leasing Agreement is for CAT Telecom to lease HSPA equipment from BFKT and BFKT will also install the equipment on CAT Telecom Network and telecommunication tower in central and provincial area. BFKT agrees to rent out and agree to manage, change, fix and maintain the leasing HSPA equipment around the country for 14.5 years (in accordance with the duration of CAT Telecom's type 3 license). BFKT receives the rental fee in return from CAT Telecom calculated based on the number of the sites ready for the commercial service and in accordance with the criteria and calculation method stated in the Agreement. However, BFKT or CAT Telecom may adjust or make change to the rental fee from time to time as per the terms and conditions specified in the HSPA Equipment-Leasing Agreement.

- (5) The Wholesaling of Mobile Service Agreement (HSPA) (the "Agreement") between CAT Telecom as the wholesaler and Real Move as a reseller for the period of 14.5 years (27th January 2011 - 3rd August 2025) and the attached MOU dated 27th January 2011 and dated 17th February 2011.

The agreement is made in accordance with the NTC's Rule on the Operation of Telecommunication Business by Wholesaling and Reselling which is announced in the Royal Gazette, number 123 special part 136 NG, dated December 29, 2006 including other rules relating to the reselling of mobile service to be announced in the future. By the above mentioned wholesale of mobile service, CAT Telecom agrees to wholesale its mobile service to Real Move or other resellers obtaining a license to resale from the NBTC.

Real Move has agreed to buy mobile capacity from CAT Telecom as stipulated in the Agreement and the volume of the wholesale capacity can be mutually agreed from time to time. At present, the purchased mobile capacity can support approximately 13.3 million nominal subscribers within 31st December 2012. By this, the conditions and terms of the Agreement will be used as a standard wholesaling agreement and apply to every reseller. CAT Telecom has the right to utilize capacity by wholesaling to other resellers. Furthermore, CAT Telecom will inquire Real Move or other resellers their need of buying additional capacity every year so that CAT Telecom can extend its network capacity accordingly in the future.

- (6) Asset and Revenue Sale and Transfer Agreement

- (6.1) Asset and Revenue Sale and Transfer Agreement between BFKT (Thailand) Limited ("BFKT") as a seller and Digital Telecommunications Infrastructure Fund ("DIF") (Previously known as TRUE Telecommunications Growth Infrastructure Fund ("TRUEGIF")) as a purchaser ("BFKT Asset and Revenue Sale and Transfer Agreement") for the period of 12 years (24th December 2013 - 3rd August 2025)

The objective of BFKT Asset and Revenue Sale and Transfer Agreement is to sell and transfer to DIF

- (i) the rental of the BFKT Telecom Assets being 1,485 telecommunications towers and 9,169 links of FOC grid and transmission equipment pursuant to the HSPA Equipment-Leasing Agreement, (including all claims and other rights arising out such revenue as specified in the relevant Asset and Revenue Sale and Transfer Agreement) from the Commencement Date until the Expiry Date; and
- (ii) the rental of up to 50 telecommunications towers of BFKT from the date following the earlier of the Expiry Date and the date on which the HSPA Equipment-Leasing Agreement is terminated prior to its term or extended term (the “HSPA Termination Date”), until the 10th anniversary of such date

In each case less certain costs and expenses for operation and maintenance, rental payments under land leases (including property tax) insurance premiums and costs associated with securing rights of way (the “BFKT Relevant Costs”), provided that the BFKT Relevant Costs will be subject to applicable annual escalation, (collectively, the “BFKT Sale Revenue”).

BFKT irrevocably grants to DIF the option to purchase certain BFKT Telecom Assets (the “BFKT Main Specified Assets”) at Baht 10 million (the “Option Price”) exercisable upon the earlier of the Expiry Date and the HSPA Termination Date (the “Option”) consisting of 1,435 telecommunications towers and 9,169 links of FOC grid and transmission equipment comprising 47,250 km of FOC.

Upon DIF exercising the Option and making payment of the Option Price, if there are any BFKT Main Specified Assets that cannot be transferred and delivered to DIF on the closing of the transfer of the BFKT Main Specified Assets (the “BFKT Main Specified Asset Closing Date”), BFKT shall pay to DIF the terminal value of such BFKT Main Specified Assets. Upon the payment of such terminal value in full, BFKT shall be relieved from its obligation to deliver and transfer the relevant BFKT Main Specified Assets to DIF.

The terminal value in relation to any BFKT Main Specified Assets shall be an amount equal to 18 times the aggregate amount of the BFKT Monthly Sale Revenue (as defined below) for the 12 months preceding the month in which the BFKT Main Specified Asset Closing Date occurs (the “BFKT Terminal Value”).

On or prior to the earlier of the Expiry Date and the HSPA Termination Date, BFKT shall enter into a lease agreement to lease to any True Group entity one slot on the remaining BFKT Towers that are not the BFKT Main Specified Assets (the “BFKT Remaining Specified Asset Leasing Agreement”), having a term of at least ten years from the date following the earlier of the Expiry Date and the HSPA Termination Date, (the “BFKT Final Long Stop Date”) and shall procure and deliver to DIF the monthly net revenue generated from the rental of the BFKT Remaining Specified Assets until the BFKT Final Long Stop Date or, if earlier, the transfer of the BFKT Remaining Specified Asset to DIF, each in accordance with the terms and conditions of the BFKT Asset and Revenue Sale and Transfer Agreement.

Subject to the terms and conditions set out in the BFKT Asset and Revenue Sale and Transfer Agreement, BFKT shall, at any time during the term of the BFKT Remaining Specified Asset Leasing Agreement and upon it obtaining evidence of the legal and valid land rights and/or leases in relation

to the sites where any BFKT Remaining Specified Assets are located or operated, sell and transfer to DIF and DIF shall purchase and accept such BFKT Remaining Specified Assets at a price (the “BFKT Remaining Specified Asset Purchase Price”) to be agreed between DIF and BFKT in accordance with the BFKT Asset and Revenue Sale and Transfer Agreement.

Title and risk of loss or damage to the BFKT Sale Revenue, BFKT Main Specified Assets and BFKT Remaining Specified Assets shall pass to DIF upon the relevant closing, except as otherwise provided in the BFKT Asset and Revenue Sale and Transfer Agreement.

Prior to the BFKT Main Specified Asset Closing Date, if a trigger event as specified in the BFKT Asset and Revenue Sale and Transfer Agreement occurs, DIF may demand BFKT to make payment of the net present value of all remaining BFKT Sale Revenue owed under the BFKT Asset and Revenue Sale and Transfer Agreement plus the BFKT Terminal Value of the BFKT Main Specified Assets (the “BFKT Outstanding Sale Revenue”) and exercise or enforce all or any part of the rights of DIF available under the BFKT Asset and Revenue Sale and Transfer Agreement.

BFKT shall be liable in respect of any claim in relation to the BFKT Transferred Specified Assets if a notice of such claim is given by DIF within two years from the relevant BFKT Asset Closing Date, except for claims arising out of certain material matters as set out in the BFKT Asset and Revenue Sale and Transfer Agreement for which there shall be no time limitation for giving notice of claims (other than pursuant to applicable law). Such matters include, among others, BFKT’s warranties on its authority and capacity, ownership of the BFKT Transferred Specified Assets and breach of material undertakings.

The aggregate liability of BFKT in respect of (i) the BFKT Sale Revenue in relation to the HSPA Equipment-Leasing Agreement shall not exceed the BFKT Outstanding Sale Revenue; (ii) the BFKT Main Specified Assets transferred to DIF shall not exceed their BFKT Terminal Value; (iii) the BFKT Remaining Specified Assets transferred to DIF shall not exceed the purchase price of the BFKT Remaining Specified Assets paid by DIF; (iv) the BFKT Sale Revenue in relation to the BFKT Remaining Specified Assets Leasing Agreement shall not exceed the net present value of all remaining net rental revenue owed; and (v) all other breaches the aggregate liabilities shall not exceed 50 per cent of the BFKT Purchase Price. BFKT shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the BFKT Asset and Revenue Sale and Transfer Agreement.

Insurance: BFKT undertakes (a) to procure that, within 45 days from the BFKT Revenue Closing Date, DIF shall be named as co-insured and co-beneficiary under all True Group’s insurance policies in relation to the BFKT Telecom Assets; (b) to procure that all True Group’s insurance policies in relation to the BFKT Telecom Assets are maintained in accordance with the terms set out in the BFKT Asset and Revenue Sale and Transfer Agreement; (c) upon the relevant BFKT Asset Closing Date, to arrange for an insurance policy for the BFKT Transferred Specified Assets under the name of DIF, provided that DIF shall be responsible for the insurance premiums with respect to such insurance policy; (d) not to modify any term of True Group’s insurance policies in relation to the BFKT Transferred Specified Assets without the prior written consent of DIF, which shall not be unreasonably withheld; and (e) to ensure that all insurance proceeds are used to repair, reinstate or otherwise replace the assets which are the subject of an insurance claim giving rise to such insurance proceeds.

- (6.2) Asset and Revenue Sale and Transfer Agreement between Asia Wireless Communication Company Limited (“AWC”) as a seller and DIF (“AWC Asset and Revenue Sale and Transfer Agreement”) as a purchaser for the period of 12 years (24th December 2013 - 3rd August 2025)

The objective of AWC Asset and Revenue Sale and Transfer Agreement is to sell and transfer to DIF

- (i) the rental of the AWC Towers being 4,360 telecommunications towers pursuant to the AWC Leasing Agreement, (including all claims and other rights arising out of such revenue as specified in the relevant Asset and Revenue Sale and Transfer Agreement) from the Commencement Date until the date on which the AWC Leasing Agreement expires (the “AWC Expiry Date”); and
- (ii) the rental of up to 392 telecommunications towers of AWC from the date following the earlier of the AWC Expiry Date and the date on which the AWC Leasing Agreement is terminated prior to its term or extended term (the “AWC Termination Date”), until the 10th anniversary of such date,

In each case less certain costs and expenses for operation and maintenance, rental payments under land leases (including property tax) and insurance premiums (the “AWC Relevant Costs”), provided the AWC Relevant Costs will be subject to applicable annual escalation, (collectively, the “AWC Sale Revenue”) and

Upon the earlier of the AWC Expiry Date and the AWC Termination Date, AWC shall transfer to DIF, and DIF shall accept, certain AWC Towers being 3,968 telecommunications towers (the “AWC Main Specified Assets”) on the date which is scheduled to be the closing date for the transfer and delivery of the AWC Main Specified Assets (the “AWC Main Specified Asset Closing Date”), (the AWC Sale Revenue and the AWC Main Specified Assets are collectively, the “AWC Sale Assets”).

For the AWC Main Specified Assets that cannot be transferred and delivered on the AWC Main Specified Asset Closing Date, AWC shall pay DIF the terminal value of the relevant AWC Main Specified Assets on the AWC Main Specified Asset Closing Date. Upon the payment of such terminal value in full, AWC shall be relieved from its obligations to deliver and transfer the relevant AWC Main Specified Assets to DIF. The terminal value in relation to any AWC Main Specified Assets shall be an amount equal to 14 times the aggregate amount of the AWC Monthly Sale Revenue (as defined below) for the 12 months preceding the month in which the AWC Main Specified Assets Closing Date occurs (the “AWC Terminal Value”).

AWC undertakes that it shall enter into a lease agreement to lease to any True Group entity one slot on the remaining AWC Towers that are not the AWC Main Specified Assets (the “AWC Remaining Specified Asset Leasing Agreement”) which include up to 392 telecommunications towers (the “AWC Remaining Specified Assets”), having a term of at least ten years from the earlier of the date following the AWC Expiry Date and the AWC Termination Date, (the “AWC Final Long Stop Date”) and shall procure and deliver to DIF the monthly net revenue generated from the rental of the AWC Remaining Specified Assets until the AWC Final Long Stop Date or, if earlier, the transfer of the AWC Remaining Specified Asset to DIF, each, in accordance with the terms and conditions of the AWC Asset and Revenue Sale and Transfer Agreement.

Subject to the terms and conditions set out in the AWC Asset and Revenue Sale and Transfer Agreement, AWC shall, at any time during the term of the AWC Remaining Specified Asset Leasing Agreement and upon it obtaining evidence of the legal and valid land rights and/or leases in relation to the sites where any AWC Remaining Specified Assets are located, sell and transfer to DIF and DIF shall purchase and accept such AWC Remaining Specified Assets at a price to be agreed between DIF and AWC in accordance with the AWC Asset and Revenue Sale and Transfer Agreement.

Title and risk of loss or damage to the AWC Sale Revenue, AWC Main Specified Assets and AWC Remaining Specified Assets shall pass to DIF upon the relevant closing, except as otherwise provided in the AWC Asset and Revenue Sale and Transfer Agreement.

The aggregate liability of AWC in respect of (i) the AWC Sale Revenue in relation to the AWC Leasing Agreement shall not exceed the AWC Outstanding Sale Revenue; (ii) the AWC Main Specified Assets transferred to DIF shall not exceed their AWC Terminal Value; (iii) the AWC Remaining Specified Assets transferred to DIF shall not exceed the purchase price of the AWC Remaining Specified Assets paid by DIF; (iv) the AWC Sale Revenue in relation to the AWC Remaining Specified Assets Leasing Agreement shall not exceed the net present value of all remaining net rental revenue owed; and (v) all other breaches the aggregate liabilities shall not exceed 50 per cent of the AWC Purchase Price. AWC shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the AWC Asset and Revenue Sale and Transfer Agreement.

Insurance: AWC undertakes: (a) to procure that, within 45 days from the AWC Revenue Closing Date, DIF shall be named co-insured and co-beneficiary under all True Group's insurance policies in relation to the AWC Towers; (b) to procure that all True Group's insurance policies in relation to the AWC Towers are maintained in accordance with the terms set out in the AWC Asset and Revenue Sale and Transfer Agreement; (c) upon the relevant AWC Asset Closing Date, to arrange for an insurance policy for the AWC Transferred Specified Assets under the name of DIF, provided that DIF shall be responsible for the insurance premiums with respect to such insurance policy; (d) not to modify any term of True Group's insurance policies in relation to the AWC Towers without the prior written consent of DIF, which shall not be unreasonably withheld; and (e) to ensure that all insurance proceeds are used to repair, reinstate or otherwise replace the assets which are the subject of an insurance claim giving rise to such insurance proceeds.

- (6.3) Additional Asset and Revenue Sale and Transfer Agreement between Asia Wireless Communication Company Limited ("AWC") as a seller and DIF ("AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No.1") as a purchaser for the period of 10 years (1st March 2015 - 3rd August 2025)

The objective of AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No.1 is for AWC to sell and transfer to DIF, and DIF to purchase and accept, the revenue expected to be received by AWC from the rental of AWC's telecommunications towers being 338 telecommunications towers ("AWC Towers for Additional Investment No. 1") pursuant to the Additional AWC Leasing Agreement, (including all claims and other rights arising out of such revenue as specified in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No.1)

In each case less certain costs and expenses for operation and maintenance, rental payments under land leases (including house and land tax) and insurance premiums (the “AWC Relevant Costs”), provided the AWC Relevant Costs will be subject to applicable annual escalation, (collectively, the “AWC Sale Revenue for Additional Investment No. 1”) and

Upon the Additional AWC Expiry Date or the date on which the Additional AWC Leasing Agreement is terminated prior to its term or extended term, as the case may be, AWC shall transfer to DIF, and DIF shall accept, certain AWC Towers for Additional Investment No. 1 (the “AWC Assets for Additional Investment No. 1”) on the date which is scheduled to be the closing date for the transfer and delivery of the AWC Assets for Additional Investment No. 1 (the “AWC Asset Closing Date for Additional Investment No. 1”), (the AWC Sale Revenue for Additional Investment No. 1 and the AWC Assets for Additional Investment No. 1 are collectively, the “AWC Sale Assets for Additional Investment No. 1”).

For the AWC Assets for Additional Investment No. 1 that cannot be transferred and delivered on the AWC Asset Closing Date for Additional Investment No. 1, AWC shall pay DIF the terminal value of the relevant AWC Assets for Additional Investment No. 1 on the AWC Asset Closing Date for Additional Investment No. 1. Upon the payment of such terminal value in full, AWC shall be relieved from its obligations to deliver and transfer the relevant AWC Assets for Additional Investment No. 1 to DIF. The terminal value in relation to any AWC Assets for Additional Investment No. 1 shall be an amount equal to 14 times the aggregate amount of the AWC Monthly Rental Revenue for the 12 months preceding the month in which the AWC Assets Closing Date for Additional Investment No. 1 occurs (the “AWC Terminal Value”).

In case of any change to the monthly rental revenue of the AWC Towers for Additional Investment No. 1 pursuant to the Additional AWC Leasing Agreement as a result of CAT Telecom agreeing to terminate its exclusive right to use the AWC Towers for Additional Investment No. 1 under the HSPA Equipment Lease Agreement, the parties agree that the terminal value in relation to any AWC Assets for Additional Investment No.1 shall remain to be an amount equal to 14 times the aggregate amount of the AWC Monthly Rental Revenue for Additional Investment No. 1 for the 12 months preceding the month in which the AWC Asset Closing Date for Additional Investment No.1 occurs as if there has been no change in the monthly rental revenue of the AWC Towers for Additional Investment No.1 as a result thereof, subject to the terms and conditions set out in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No.1.

Title and risk of loss or damage to the AWC Sale Revenue for Additional Investment No. 1 and AWC Assets for Additional Investment No. 1 shall pass to DIF upon the relevant closing dates, except as otherwise provided in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 1.

The aggregate liability of AWC in respect of (a) the AWC Sale Revenue for Additional Investment No. 1 shall not exceed the AWC Outstanding Sale Revenue; (b) the AWC Assets for Additional Investment No. 1 transferred to DIF shall not exceed their AWC Terminal Value; (c) all other breaches the aggregate liabilities shall not exceed 50 per cent of the AWC Purchase Price for Additional Investment No. 1. AWC shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 1.

Insurance:AWC undertakes: (a) to procure that, within 45 days from the AWC Revenue Closing Date for Additional Investment No. 1, DIF shall be named co-insured and co-beneficiary under all True Group's insurance policies in relation to the AWC Towers for Additional Investment No. 1; (b) to procure that all True Group's insurance policies in relation to the AWC Towers for Additional Investment No. 1 are maintained in accordance with the terms set out in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 1; (c) upon the relevant AWC Asset Closing Date for Additional Investment No. 1, to arrange for an insurance policy for the AWC Transferred Specified Assets under the name of DIF, provided that DIF shall be responsible for the insurance premiums with respect to such insurance policy; (d) not to modify any term of True Group's insurance policies in relation to the AWC Towers without the prior written consent of DIF, which shall not be unreasonably withheld; and (e) to ensure that all insurance proceeds are used to repair, reinstate or otherwise replace the assets which are the subject of an insurance claim giving rise to such insurance proceeds.

(7) Asset Sale and Transfer Agreement

- (7.1) Asset Sale and Transfer Agreement between True Corporation Public Company Limited ("True") as a seller and DIF as a purchaser ("True Asset Sale and Transfer Agreement")

The objective of True Asset Sale and Transfer Agreement is to sell and transfer to DIF, and DIF shall purchase the following New Tower Assets:

3,000 towers by 31st December 2014; and

3,000 towers by 31st December 2015

(each, the "Scheduled Delivery Date")

From the date following each Scheduled Delivery Date until 31st December 2020 (the "True Final Long Stop Date"), if, on 31st December of each year, there are any New Tower Assets which cannot be delivered to DIF, True shall pay delay damages to DIF in an amount equal to the amount that DIF is required to refund to TUC under the TUC Master Lease Agreement for any unavailable New Tower Assets in relation to such year (the "Annual Rental Shortfall"), plus 15 per cent per annum.

On the True Final Long Stop Date, if there are any New Tower Assets which cannot be delivered to DIF, True shall pay to DIF an amount equal to 12 times the Annual Rental Shortfall for the year 2020 in accordance with the terms and conditions of the True Asset Sale and Transfer Agreement.

Upon the earlier of the date True delivers all New Tower Assets to DIF and the True Final Long Stop Date, if any New Tower Asset delivered by True to DIF is not in accordance with the applicable specifications in the True Asset Sale and Transfer Agreement, the applicable party will be entitled to receive compensation from the other party for any difference in such specifications, subject to the terms of the True Asset Sale and Transfer Agreement.

Title to and risk of loss or damage to the New Tower Assets shall pass to DIF upon each delivery of the relevant New Tower Assets (a "Delivery") which shall be in accordance with the process specified in the True Asset Sale and Transfer Agreement.

Prior to each relevant Delivery, True shall warrant and represent to the Purchaser that, among others, the New Tower Assets to be delivered shall be legally and beneficially owned by True and shall be free from all encumbrances.

Key obligation of True from each relevant Delivery and in respect of the delivered New Tower Assets, True shall at its own expense in relation to any land and/or property leases which cannot be assigned or novated to DIF, procure that each of DIF, the lessees of the New Tower Assets, the Telecom Asset Manager and their designated persons has the right to access and to use the relevant sites;

The aggregate liability of True in respect of all breaches under the True Asset Sale and Transfer Agreement shall not exceed the True Purchase Price. True shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the True Asset Sale and Transfer Agreement.

True undertakes from the relevant Delivery: (a) to procure that, until DIF's relevant insurances are put in place, all True Group's insurance policies in relation to the True Transferred Specified Assets are maintained in accordance with the terms set out in the True Asset Sale and Transfer Agreement; (b) to arrange a policy for the True Transferred Specified Assets under the name of DIF, provided that DIF shall be responsible for the insurance premiums with respect to such insurance policy; (c) not to modify any term of True Group's insurance policies in relation to the True Transferred Specified Assets without the prior written consent of DIF, which shall not be unreasonably withheld; and (d) to ensure that all insurance proceeds are used to repair, reinstate or otherwise replace the assets which are the subject of an insurance claim giving rise to such insurance proceeds.

True shall be liable in respect of any claim in relation to the True Transferred Specified Assets if a notice of such claim is given by DIF within two years from the relevant Delivery, except for claims arising out of certain material matters as set out in the True Asset Sale and Transfer Agreement for which there shall be no time limitation for giving notice of claims. Such matters include, among others (other than pursuant to applicable law), True's warranties on its authority and capacity, ownership of the New Tower Assets and breach of material undertakings;

The obligation of True in relation to the relocation and repurchase of the True Affected Assets on the site (or part of a site) which has been assigned or novated to DIF, in relation to any True Transferred Specified Asset being seized, taken into custody or otherwise rendered unusable by any tenant due to any illegality to access or to use such site or any part thereof shall be limited to five years after the date of the assignment or novation of such site to DIF.

- (7.2) Asset Sale and Transfer Agreement between True Universal Convergence Company Limited ("TU") as a seller and DIF as a purchaser ("TU Asset Sale and Transfer Agreement")

The objective of TU Asset Sale and Transfer Agreement is to sell and transfer (i) 5,112 km of core FOC grid (including transmission equipment) located in the upcountry region of Thailand; and (ii) the upcountry broadband system with a capacity of approximately 1.2 million ports (the "TU Sale Assets").

Title and risk of loss or damage to the TU Sale Assets shall pass to DIF upon the closing of the sale and transfer, except as otherwise provided in the TU Asset Sale and Transfer Agreement, provided that the risk of loss or damage to the TU Sale Assets that are under construction shall pass to DIF upon the delivery of such under construction assets which shall be in accordance with the process specified in the TU Asset Sale and Transfer Agreement.

From the Asset Closing Date, TU shall at its own expense, procure that each of DIF, the lessees of the TU Sale Assets, the Telecom Asset Manager and their designated persons has the right to access and to use the relevant right of way with respect to such assets in accordance with the terms and conditions of the TU Asset Sale and Transfer Agreement.

In relation to any contracts with respect to the TU Sale Assets which cannot be assigned or novated to DIF, procure that DIF can enjoy the rights and benefits of TU under such contracts.

From the Asset Closing Date, TU shall be liable in respect of any claim in relation to the TU Transferred Specified Assets if a notice of such claim is given by DIF within two years from the Asset Closing Date, except for claims arising out of certain material matters as set out in the TU Asset Sale and Transfer Agreement for which there shall be no time limitation for giving notice of claims (other than pursuant to applicable law). Such matters include, among others, TU's warranties on its authority and capacity, ownership of the TU Sale Assets and breach of relevant material undertakings.

The aggregate liability of TU in respect of all breaches under the TU Asset Sale and Transfer Agreement shall not exceed the TU Purchase Price. TU shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the TU Asset Sale and Transfer Agreement.

TU undertakes to procure that: (a) until DIF's relevant insurances are put in place, all True Group's insurance policies in relation to the TU Sale Assets are maintained in accordance with the terms set out in the TU Asset Sale and Transfer Agreement; (b) to arrange relevant insurance policies in relation to the TU Sale Assets under the name of DIF, provided that DIF shall be responsible for the insurance premiums with respect to such insurance policies; and (C) not to modify any term of True Group's relevant insurance policies for the TU Sale Assets without the prior written consent of DIF, which shall not be unreasonably withheld and delayed.

(8) Master Lease, Operation and Management Agreements

- (8.1) Master Lease, Operation and Management Agreement between TUC as a lessee and DIF as a lessor ("TUC Master Lease, Operation and Management Agreement") for the period of 14 years (24th December 2013 - 31st December 2027)

The objective of TUC Master Lease, Operation and Management Agreement is to lease slots on telecommunications towers and lease passive facilities in relation to certain towers, (collectively, the "Leased Properties") including operates and manages Leased Properties until 31st December 2027.

The Leased Properties will consist of at least (the "Minimum Leased Properties"):

- (a) 6,619 slots on 3,000 towers commencing from 1st January 2015;
- (b) 13,993 slots on 6,000 towers commencing from 1st January 2016; and
- (c) 15,249 slots on 6,000 towers commencing from 1st January 2017

The rental rates for the Leased Property are divided into 3 types as listed below and are subject to applicable discounts and/or adjustments as described below:

Type I: ground-based towers: Baht 25,400 per month per slot;
 Type II: rooftop-based towers: Baht 23,200 per month per slot; and
 Type III: IBC/DAS: Baht 39,400 per month per slot

The following adjustments/discounts to the rental rate apply under the conditions described below:

- (a) founder tenant discount: 32%
- (b) volume discount (regardless of which type):
 - 1 - 3,000 slots: no discount;
 - 3,001 - 5,000 slots: 30% discount;
 - 5,001 - 10,000 slots: 35% discount; and
 - 10,001 slots and more: 40% discount

If TUC or other founder tenants, at any time during the terms of the lease, wishes to lease, operate and manage additional slots, TUC/or other founder tenants will be entitled to both founder tenant discount and volume discount for the rental rates.

Annual escalation at a fixed rate of 2.7% per annum applies from January 2015.

TUC will make net rental payments for the lease, operation and management of the Leased Properties in advance on the 7th (or the next business day) of each month starting from January 2014. TUC will make the net rental payments to DIF in advance on a monthly basis for the Minimum Leased Properties – one year in advance for slots on the first batch of 3,000 towers to be delivered by 31st December 2014 and two years in advance for slots on the second batch of 3,000 towers to be delivered by 31st December 2015.

At the end of each year starting from 2015 until 2020, DIF will return to TUC the respective part of the advance payment proceeds should the number of towers available for TUC to lease, operate and manage falls below the respective Minimum Leased Properties in relation to such year. DIF shall return such advance payment proceeds to TUC within the next Business Day from the date True has made payment in respect of the delay damages for late and/or non delivery of the relevant New Tower Assets to DIF pursuant to the terms of True Asset Sale and Transfer Agreement.

Upon the earlier of the date True delivers all New Tower Assets to DIF and 31st December 2020, if any New Tower Asset delivered by True to DIF does not satisfy the specifications in the True Asset Sale and Transfer Agreement causing the advance rental payments made by TUC to be different from the actual rental payments TUC is obligated to pay to DIF for the lease of the Leased Properties, such differences will be paid to the applicable party by the other party in accordance with the terms of the TUC Master Lease, Operation and Management Agreement.

DIF shall be responsible for the rental payments under the land leases in respect of the site where the Leased Properties are located whereby (a) during the term of the lease, TUC shall be the person making the rental payments under the land leases in respect of the site where the Leased Properties are located which such method has been reflected in the amount of the net advance annual rental payments in the table attached to the summary of the TUC Master Lease, Operation and Management Agreement and (b) for the renewal term, DIF shall be the person making the rental payments under the land leases in respect of the site where the Leased Properties are located.

DIF shall be responsible for obtaining and maintaining, in respect of any Leased Properties, adequate insurance (including third party liability insurance and any other coverage) customary for the Leased Properties, and paying for relevant insurance premiums and TUC shall be responsible for obtaining and maintaining, in respect of any telecommunications equipment that TUC installs or places on any Leased Property, adequate insurance, including third party liability insurance and any other coverage, customary for such telecommunications equipment.

Each of DIF and TUC agrees to indemnify each other for all losses and damages arising from breaches of their respective representations, warranties and covenants under the TUC Master Lease, Operation and Management Agreement, subject to customary carve-outs.

TUC is allowed to sublease the slots that it leases, operates and manages under the TUC Master Lease, Operation and Management Agreement, without prior consent of DIF, as follows:

- (i) the Minimum Leased Properties to any third party;
- (ii) any slots (in addition to the Minimum Leased Properties) to (a) any other founder tenants, (b) True or any of its existing or future subsidiaries and/or any non-True entity awarded to operate telecommunications business using 1800 MHz frequency, (c) CAT, (d) TOT and (e) other telecommunications operators by exchanging for use of other telecommunications operator's slots without consideration; and
- (iii) any slots (in addition to the Minimum Leased Properties) to any third party other than those listed in (ii) above whereby the rental rate that TUC pays to DIF for such slots shall be calculated by applying the discount that is applicable to the sub-lessee if such sub-lessee were to directly lease, operate and manage the Leased Properties from DIF without the founder tenant discount; provided that DIF may agree to give additional discounts to TUC in case TUC leases such slots for the purpose of subleasing to other third party.

If any reinforcement or enhancement of any towers that DIF acquired from TUC or True and/or its subsidiaries which are subject to the lease, operation and management under the TUC Master Lease, Operation and Management Agreement, is required or necessary (either due to TUC's and/or third party tenant's request), TUC will perform such reinforcement or enhancement in all cases but at DIF's cost plus a reasonable margin. If DIF lacks funding for such reinforcement or enhancement, TUC will advance the costs of such reinforcement or enhancement. DIF will reimburse TUC for such costs together with the applicable margin within 30 days from the date of invoice by TUC. If it fails to do so, DIF agrees to pay TUC interest on the outstanding but unpaid amount at the rate of 7.5% per annum from the due date until such payment is made in full. If DIF fails to reimburse TUC within the specified period, TUC is permitted to off-set such costs together with the applicable margin and interest against the monthly rental payment due and payable by TUC to DIF.

- (8.2) Master Lease, Operation Maintenance and Management Agreement between TU as a lessee and DIF as a lessor ("TU Master Lease Agreement") for the period of 13 years and 5 years, as the case may be, starting from 24th December 2013

The objective of TU Master Lease Agreement is to lease, operates, and manages (i) approximately 5,112 km of core FOC grid, whereby TU will lease, operate and manage, for each year, at least the minimum as shown in the table attached to the summary of the TU Master Lease, Operation and Management Agreement; (ii) transmission equipment related to the core FOC grid; (iii) upcountry

broadband system which comprises passive telecommunications equipment (for exclusive use by TU unless agreed otherwise by TU after the initial 5 years); and (iv) upcountry broadband system which comprises active telecommunications equipment (for exclusive use by TU), (collectively, the “Leased Properties”). The term of the lease, operation and management is:

- (1) until 2026, for core FOC grid and upcountry broadband system which are passive telecommunications equipment; and
- (2) until 2018, for transmission equipment that is related to the core FOC grid and upcountry broadband system which are active telecommunications equipment.

The rental rates for the leased property are equal to:

(a) Core FOC grid:

- (1) up to 76% of the core FOC grid (i.e. 93,370 core km): Baht 350 per month per core km; and
 - (2) in excess of 76% to 100% of the core FOC grid: Baht 1,100 per month per core km,
- whereby, the annual net rental revenue for the core FOC grid that DIF will receive will be calculated based on the above rate less operation and maintenance fee for core FOC grid at the rate of Baht 186 million per annum.

(b) Transmission equipment related to the core FOC grid: Baht 38 million per annum.

(c) Upcountry broadband system which comprises passive telecommunications equipment: Baht 791 million per annum (subject to future rate adjustments to be agreed, in case TU agrees to release its right to exclusive use after year 5).

(d) Upcountry broadband system which comprises active telecommunications equipment: Baht 317 million per annum.

The following adjustments/discounts to the rental rate apply under the conditions described below:

- (1) annual escalation for rental rate of upcountry broadband system (both active and passive telecommunications equipment) at 5% in 2015; and
- (2) at the rate equal to the Consumer Price Index (CPI) announced by the Ministry of Commerce of Thailand for the previous year and beginning from January 2016, such rate shall not exceed 3.5%; and
- (3) no escalation for rental rate of core FOC grid and transmission equipment.

DIF shall be responsible for obtaining and maintaining third party liability insurance for the Leased Property, and paying for relevant insurance premiums.

If any upgrade of any Leased Properties or relevant assets that DIF acquired from TU or True or any of its subsidiaries which are subject to lease, operation and management under the TU Master Lease,

Operation and Management Agreement, is required or necessary, TU will perform such upgrade at its own cost, whereby such upgrades shall become additional assets which if TU wishes to sell to any person, TU must first offer to sell such assets to DIF.

(9) Long-Term Lease Agreement and FOC Sub-Lease, Operation and Management Agreement

- (9.1) Long-Term Lease Agreement between AWC as a lessor and DIF as a lessee (“Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1”) for the period of 20 years (from 5th March 2015)

The objective of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 is for DIF to lease FOC of 7,981 km. in upcountry regions ("Leased Property") for the period of 20 years.

AWC acknowledges and consent that DIF may seek benefits from the Leased Property by sub-leasing such property. DIF shall have no obligation in relation to the operation, maintenance and management of the Leased Property. The sub-lessee which sub-leases the Leased Property from DIF shall be responsible for the operation, maintenance and management of the Leased Property. DIF will initially sub-lease part of the Leased Property to TU, and TU shall have the obligations in relation to the operation, maintenance and management of the Leased Property in accordance with service standards specified in the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 and the FOC Sub-lease, Operation and Management Agreement (which will be later defined) between DIF and TU. DIF shall not be responsible to AWC for any damage incurred to the Leased Property as a result of the sub-lease or any fault in the operation, maintenance and management of the Leased Property by TU and/or any founder sub-lessee which is a True Group entity. AWC agrees that it shall not demand DIF to be liable for any damage arising out thereof.

From the date of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1, AWC shall procure that each of DIF, DIF's sub-lessee of the Leased Property, the Telecom Asset Manager and their designated persons has the right to access the Leased Property pursuant to the terms and conditions of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1.

From the date of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1, if, as a result of any defect of the Leased Property or any other events that result in the sub-lessee being unable to use such Leased Property, DIF and AWC acknowledge that TU, as the founder sub-lessee under the FOC Sub-Leased, Operation and Management Agreement, will have the obligations in relation to the operation and maintenance of the Leased Property, including rectifying, modifying or relocating the Leased Property to ensure their normal use at TU's own expenses in accordance with the terms and conditions of the FOC Sub-Lease, Operation and Management Agreement. In case that TU fails to rectify, modify or relocate the Leased Property according to the FOC Sub-Lease, Operation and Management Agreement, AWC shall arrange for the same pursuant to the terms and conditions of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1.

Upon DIF's exercising the option to purchase and making payment of the Option Price, if there is any part of the Leased Property that cannot be transferred and delivered to the Fund on the closing date of the transfer of the Leased Property (the "Leased Property Closing Date"), AWC shall pay to DIF the fair value of such part of the Leased Property that cannot be transferred and delivered to DIF. The parties agree that the fair value shall be from either the average price obtained from two appraisers approved by the SEC pursuant to the relevant notifications and appointed by each of the parties to appraise the property or any other method as agreed by the parties. In case of the appraisals by the two appraisers, if the average prices obtained from each appraiser differ more than 50 per cent from the lower average price, both parties shall mutually agree to the fair value of the Leased Property that cannot be transferred and delivered to DIF. Upon AWC's payment of such fair value in full, AWC shall be relieved of its obligation to deliver and transfer such part of the Leased Property to DIF.

From the Leased Property Closing Date, AWC shall, at its own costs:

- (a) procure (by itself or other person it may appoint) DIF and sub-lessees of the Leased Property which have been delivered and transferred to DIF on the Leased Property Closing Date ("Transferred Assets"), The Telecom Asset Manager and their designated persons are entitled to use and access the rights of way with respect to such property in accordance with the terms and conditions of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1, provided that if other True Group entity or any other person approved by DIF is responsible for the rights of way with respect to the Transferred Assets and leases such Leased Property, AWC shall no longer have such responsibility; and
- (b) in relation to any agreements with respect to the Transferred Assets which cannot be assigned and/or novated to DIF, procure that DIF can enjoy the rights and benefits of AWC under such agreements.

AWC may (by itself or other person it may appoint) change the Leased Property by replacement of new FOC with equal or longer FOC core km in length at its own expenses. After such change of the Leased Property, AWC shall notify DIF of such change on annual basis.

If, as a result of AWC's (by itself or other person it may appoint) constructing or procuring additional FOC (whether by addition to or replacement of new FOC on the same route with increasing core km in length) for leasing to other tenants or in support of additional capacity, which is not the maintenance of the leased FOC pursuant to the terms and conditions of the FOC Sub-Lease, Operation and Management Agreement, AWC agrees to grant to DIF the right to purchase, lease or otherwise invest in such additional FOC at the fair value.

AWC may (by itself or other person it may appoint) change the Leased Property by deployment of new FOC with equal or longer core km of FOC which is neither for leasing to other persons nor is it in support of additional capacity, the parties agree that the FOC so changed shall be the maintenance of the leased FOC pursuant to the terms and conditions of the FOC Sub-Lease, Operation and Management Agreement and shall be part of the Leased Property from which DIF may seek benefits though out the term of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1, whereby AWC agrees not to charge additional rental in such a case.

During the term of the lease, AWC's aggregate liability in relation to breaches of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 shall not exceed the Leased Value. AWC shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1;

If DIF exercises the option to purchase and AWC has transferred the Leased Property to DIF, as from the Leased Property Closing Date:

- (1) AWC shall be liable in respect of any claim in relation to the Transferred Assets if a notice of such claim is given by DIF within two years from the Leased Property Closing Date, except for claims arising out of certain material matters as set out in the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 for which there shall be no time limitation for giving notice of claims. Such matters include (other than pursuant to applicable law), among others, AWC's misrepresentation on its authority and capacity, ownership of the Transferred Assets and breach of material undertakings;

(2) In respect of (a) any part of the Transferred Assets, the liability of AWC shall not exceed the fair value of such part of the Transferred Assets, whereas the parties agree that the fair value shall be the average price obtained from two appraisers approved by the SEC office pursuant to the relevant notifications and appointed by each party to appraise the property or by other method as agreed by the parties; (b) all other breaches occurring after the Leased Property Closing Date, the aggregate liabilities of AWC shall not exceed 50 per cent of the Lease Value and the Option Price of such asset. Parties agree that both parties shall have no liability for damage caused to the Transferred Assets due to force majeure.

The insurance relating to the Leased Property shall be in accordance with the terms and conditions of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1.

- (9.2) FOC Sub-Leased, Operation, Maintenance and Management Agreement between TU as a sub-lessee and DIF as a lessor ("FOC Sub-Leased, Operation and Management Agreement") for the period of 11 years (5th March 2015 - 7th December 2026)

The objective of the TU Sub-Leased, Operation and Management Agreement is for DIF to sub-lease FOC of 7,981 km. which DIF obtains the long term lease from AWC and is entitle to seek benefits therefrom by sub-leasing it in accordance with the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1. ("the Property Sub-leasable by DIF"), whereby TU will sub-lease, operate and manage, for each year, at least the minimum as specified in the Sub-Leased, Operation and Management Agreement (the "Sub-Leased Property").

The rental rates for the Sub-Leased Property are equal to:

- (1) for the Sub-Leased Property of up to 213,818 core km: Baht 350 per month per core km; and
- (2) for the Sub-Leased Property in excess of 213,818 core km to 303,453 core km: Baht 1,100 per month per core km.

whereby, the annual net rental revenue for the Sub-Leased Property that DIF will receive will be calculated based on the above rate less a discount at the rate of Baht 88 million per annum.

No upward or downward adjustment to the rental rate for the Sub-Leased Property during the term of the sub-lease except as agreed by the parties pursuant to the terms and conditions set out in the FOC Sub-Lease, Operation and Management Agreement.

TU may further sub-lease the Sub-Leased Property in accordance with the terms and conditions of the FOC Sub-Lease, Operation and Management Agreement.

DIF (by itself or other person it may appoint) shall be responsible for obtaining and maintaining adequate insurance coverage for the Property Sub-leasable by DIF, including third party liability insurance coverage, and paying for relevant insurance premiums. TU as the sub-lessee and/or a lessee of the sub-lessee shall be responsible, at its cost and expense, to obtain and keep in force, insurance in relation to its own equipment connected and/or linked to the sub-leased property leased by it under this Agreement, including third parity liability insurance.

SHAREHOLDERS

True Corporation Public Company Limited

Major Shareholders ^{1/}(as of 7th July 2016)

	NAME	NO. OF SHARES (MILLION SHARES)	% OF TOTAL ISSUED SHARES
1.	CP Group ^{2/}	18,752.39	56.20
2.	CHINA MOBILE INTERNATIONAL HOLDINGS LIMITED ^{3/}	6,006.36	18.00
3.	THAI NVDR COMPANY LIMITED ^{4/}	1,581.75	4.74
4.	UBS AG HONG KONG BRANCH ^{5/}	604.43	1.81
5.	CHASE NOMINEES LIMITED ^{6/}	266.47	0.80
6.	STATE STREET BANK EUROPE LIMITED ^{6/}	192.89	0.58
7.	UOB KAY HIAN (HONG KONG) LIMITED - Client Account ^{3/}	192.34	0.58
8.	HSBC (SINGAPORE) NOMINEES PTE LTD ^{7/}	130.02	0.39
9.	MAYBANK KIM ENG SECURITIES PTE. LTD. ^{7/}	91.73	0.27
10.	CORE PACIFIC-YAMAICHI INTERNATIONAL (H.K.) LIMITED-CLIENT ^{3/}	87.96	0.26

^{1/} There is no cross-shareholding between the Company and its major shareholders.^{2/} Consisting of

- (1) Charoen Pokphand Group Company Limited ("CPG") which operates businesses in investment, chemical products import and distribution, and providing technical services, where the top ten shareholders are Mr. Sumet Jiaravanon 12.96%, Mrs. Somurai Jarupanich 8.42%, Mr. Dhanin Chearavanont 6.48%, Mr. Nakul Chearavanont 6.00%, C.P. Holding (Thailand) Company Limited 4.47%, Mr. Phongthep Chiaravanont 4.26%, Mrs. Phatanee Lekrisompong 4.22%, Mr. Manas Chiaravanont 4.22%, Mrs. Somsri Lamsam 4.21% and Mr. Noppadol Chearavanont 3.00%). CPG held 21.96% of TRUE's shares
- (2) Orient Glory Group Limited which operates business in investment (100% held by CPG), held 9.68% of TRUE's shares
- (3) Unique Network Company Limited which operates business in investment (41.06% held by Thana Holding Company Limited and 58.94% held by Art Telecom Service Company Limited), held 5.42% of TRUE's shares
- (4) Glory Summer Enterprises Limited which operates business in investment (100% held by CPG), held 4.38% of TRUE's shares
- (5) Worth Access Trading Limited which operates business in investment (100% held by CPG Overseas Company Limited), held 3.05% of TRUE's shares.
- (6) Wide Broad Cast Company Limited which operates business in investment (58.55% held by Thana Holding Company Limited and 41.45% held by Telecommunication Network Company Limited), held 3.02% of TRUE's shares
- (7) C.P. Interfood (Thailand) Company Limited which operates businesses in production and wholesale of ready-made meat products (99.99% held by CPG), held 2.49% of TRUE's shares
- (8) C.P. Foods International Limited which operates business in investment (100% held by CPF), held 1.42% of TRUE's shares
- (9) Creative Light Investments Limited which operates business in investment (100% held by Charoen Pokphand Holding Company Limited), held 1.33% of TRUE's shares
- (10) Charoen Pokphand Holding Company Limited which operates business in investment (99.99% held by CPG), held 1.04% of TRUE's shares
- (11) C.P. Holding (Thailand) Company Limited which operates business in investment (99.99% held by Charoen Pokphand Holding Company Limited), held 0.85% of TRUE's shares
- (12) Bangkok Produce Merchandising Public Company Limited which operates businesses in buying and selling of animal feed raw materials (99.44% held by Charoen Pokphand Foods Public Company Limited ("CPF"), held 0.80% of TRUE's shares and
- (13) Kasetchand Industry Company Limited which operates businesses in production and distribution of livestock farming equipment products (99.99% held by CPG), held 0.77% of TRUE's shares

^{3/} The company is registered under the Law of Hong Kong and invests in the SET without disclosing that its investment is neither for itself nor for others. True is not authorised to request for the aforementioned disclosure.^{4/} A subsidiary wholly owned by the SET. The NVDR is a security automatically listed by the SET. By investing in NVDRs, the investor will receive the same financial benefits, as those who invest directly in the company's ordinary shares. The only difference between investing in the NVDR and the company's ordinary shares is that NVDR holders do not have the rights to vote.^{5/} The company is registered under the Law of Switzerland and invests in the SET without disclosing that its investment is neither for itself nor for others. True is not authorised to request for the aforementioned disclosure.^{6/} The company is registered under the Law of Great Britain and invests in the SET without disclosing that its investment is neither for itself nor for others. True is not authorised to request for the aforementioned disclosure.^{7/} The company is registered under the Law of Singapore and invests in the SET without disclosing that its investment is neither for itself nor for others. True is not authorised to request for the aforementioned disclosure.

DIVIDEND POLICY

The Company has a policy to declare dividend at least 50% of its net profits from the Company's Financial Statements subject to statutory reserves and availability of cash and in accordance with the relevant regulations and conditions of its credit facilities.

For the dividend policy of subsidiary companies, Board of Directors will consider the dividend payment from the balance of cash flows taking into account the capital expenditure requirements. Subject to the availability of cash flows and a legal reserves, the Board of Directors shall consider the payment of dividends on a case-by-case basis.

MANAGEMENT STRUCTURE

1. THE BOARD OF DIRECTORS

The Company's Articles of Association stipulates that the Board of Directors shall consist of not less than 5 directors and not less than one half of whom shall reside within the Kingdom. The qualifications of the Company's directors shall be as prescribed by law.

As of 31st December 2016, the Company's Board of Directors consists of 18 directors as follows:

- (1) 4 Executive Directors
- (2) 14 Non-Executive Directors consisted of:
 - >> 6 Independent Directors accounting for one-third of the total numbers of the board which is in compliance with the regulation of the Capital Market Supervisory Board
 - >> 8 Directors from various organizations irrelevant to the Company's business management, including representatives of the major shareholders

Definitions:

Executive Director means

A director who holds a management position and engages in the Company's business management.

Non-Executive Director means

A director who does not hold a management position and does not engage in the Company's business management, whether or not he or she is an Independent Director.

Independent Director means

A director who is independent of any major shareholder, the group of major shareholders and the management of any juristic person who is the major shareholder of the Company including any relationship that would interfere with the exercise of independent judgment and have qualification as prescribed by the regulations of Capital Market Supervisory Board and the Corporate Governance Policy of the Company.

The Board of Directors of the Company (as of 31st December 2016) is as follows:

NAME	POSITION	BOARD OF DIRECTOR MEETING	
		Number of Meeting ^{1/}	Number of Attendance
1. Mr. Vitthya Vejajiva	Independent Director, Chairman of the Audit Committee and Member of the Corporate Governance Committee	8	8
2. Dr. Kosol Petchsuwan	Independent Director, Member of the Audit Committee and Chairman of the Corporate Governance Committee	8	8
3. Mr. Joti Bhokavanij	Independent Director, Member of the Audit Committee, Member of the Finance Committee and Member of the Compensation and Nominating Committee	8	8
4. Mr. Harald Link	Independent Director	8	5
5. Prof. Rawat Chamchalerm	Independent Director	8	8
6. Mr. Xu Genluo	Independent Director	8	8
7. Mr. Dhanin Chearavanont	Chairman of the Board and Chairman of the Compensation and Nominating Committee	8	7
8. Dr. Ajva Taulananda	Vice Chairman of the Board, Chairman of the Finance Committee and Member of the Corporate Governance Committee	8	8
9. Prof. Athueck Asvanund	Vice Chairman of the Board	8	6
10. Dr. Li Zhengmao	Vice Chairman of the Board and Member of the Compensation and Nominating Committee	8	1
11. Prof. Dr. Warapat Todhanakasem	Director and Member of the Finance Committee	8	8
12. Mr. Umroong Sanphasitvong	Director, Member of the Finance Committee and Member of the Compensation and Nominating Committee	8	8
13. Mr. Vichaow Rakphongphairoj	Director	8	7
14. Mr. Chatchaval Jiaravanon	Director	8	7
15. Mr. Soopakij Chearavanont	Director and Member of the Compensation and Nominating Committee	8	5
16. Mr. Narong Chearavanont	Director	8	7
17. Dr. Xia Bing (replacement of Mr. Gao Nianshu) who resigned during the Year 2016 (1 person)	Director and Member of the Finance Committee	2 ^{3/}	0
Mr. Gao Nianshu ^{2/}	Director and Member of the Finance Committee	6	2
18. Mr. Suphachai Chearavanont	Director	8	8

Remark :

^{1/} In the year 2016, the Board of Directors totally held 8 meetings. Furthermore, the Company has stated in its Policy on Corporate Governance that the Company allows non-executive directors to hold meetings for discussing management issues or any issues they are interested in without presence of executive directors and management. In 2016, non-executive directors had such meetings, in an unofficial form, after finishing the Board meeting.

^{2/} The Board of Directors Meeting No. 6/2016, dated 8th September 2016, passed a resolution to appoint Mr. Xia Bing as Member of the Board of Directors and Member of the Finance Committee to replace Mr. Gao Nianshu, whose resignation from the Board of Directors was effective on 8th September 2016.

^{3/} Before Mr. Xia Bing was appointed as Member of the Board of Directors, 6 Board of Directors meetings had already been held in the year 2016.

All Directors have qualifications as prescribed by law. None is prohibited persons under the laws and shall possess any untrustworthy characteristics under regulations of the Securities and Exchange Commission ("SEC").

All Directors perform their duties with dedications and take their responsibilities very seriously. They cooperate on all decisions affecting the Company, entailing major work and responsibility. They attend all meetings except in unavoidable circumstances. Any director who is unable to attend the meetings will notify the Board of their absence in advance while providing their comments on the major agenda items. In addition, the Board of Directors gives priority to attend training courses organized by the Thai Institute of Directors Association (“IOD”).

Authorized Directors

Any two of five directors, namely Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Chatchaval Jiaravanon, Prof. Athueck Asvanund, Mr. Vichaow Rakphongphairoj, jointly sign with the Company’s seal affixed. In case of signing the Financial Statements, certified letter of Financial Statements and other documents relating thereto, anyone of the above-mentioned five directors signs with the Company’s seal affixed.

Authorities and Responsibilities of the Board of Directors

- >> oversee compliance of the conducting of the Company’s business with the applicable laws, objectives and Articles of Association of the Company and resolutions of shareholders’ meetings. In this regard, the Board shall perform their duty with prudence, due care, in good faith to preserve the interests of the Company and shareholders, and disclose information to the shareholders in an accurate, adequate, transparent and timely manner
- >> annually review and approve visions, strategy, missions, business plans and financial target and monitor the implementation thereof
- >> evaluate the operation of the Company and performance of the Chief Executive Officer (the “CEO”)
- >> ensure senior management succession
- >> adopt policies regarding business ethics and codes of conduct, disclosure, related party transactions and insider trading, and monitor compliance with those policies adhering to moderation, reasonableness and self-immunity system
- >> oversee compliance with accounting, risk management, financial and other controls and applicable laws
- >> provide the process on receiving any complaints and information concerning fraud
- >> recommend to shareholders Board nominees

With regard to the management of the Company, the Board of Directors has the authority to make any decision related to the Company’s regular operations except for matters that require the approval of the shareholder meeting as specified by law. In addition, the Board of Directors may grant authorization to one or more directors, or any other person, to perform any acts on its behalf. However, for any decision on major operations such as a major investment or a major loan procurement, the management team shall propose the said transactions to the Board of Directors for approval.

Authorities and Responsibilities of the Chairman of the Board

- >> The Chairman as the chief of the Board of Directors has the duties and responsibilities to supervise, follow up and monitor the due performance of the Board of Directors and other Board-committees to achieve the business objectives and plans
- >> Preside over the Board of Directors meeting
- >> Preside over the Shareholders meeting and conducting the meeting in compliance with the Company’s Articles of Association and following the sequence of the Agenda
- >> Perform the duty specified by law as the duty to be performed by the Chairman

2. THE EXECUTIVE OFFICERS

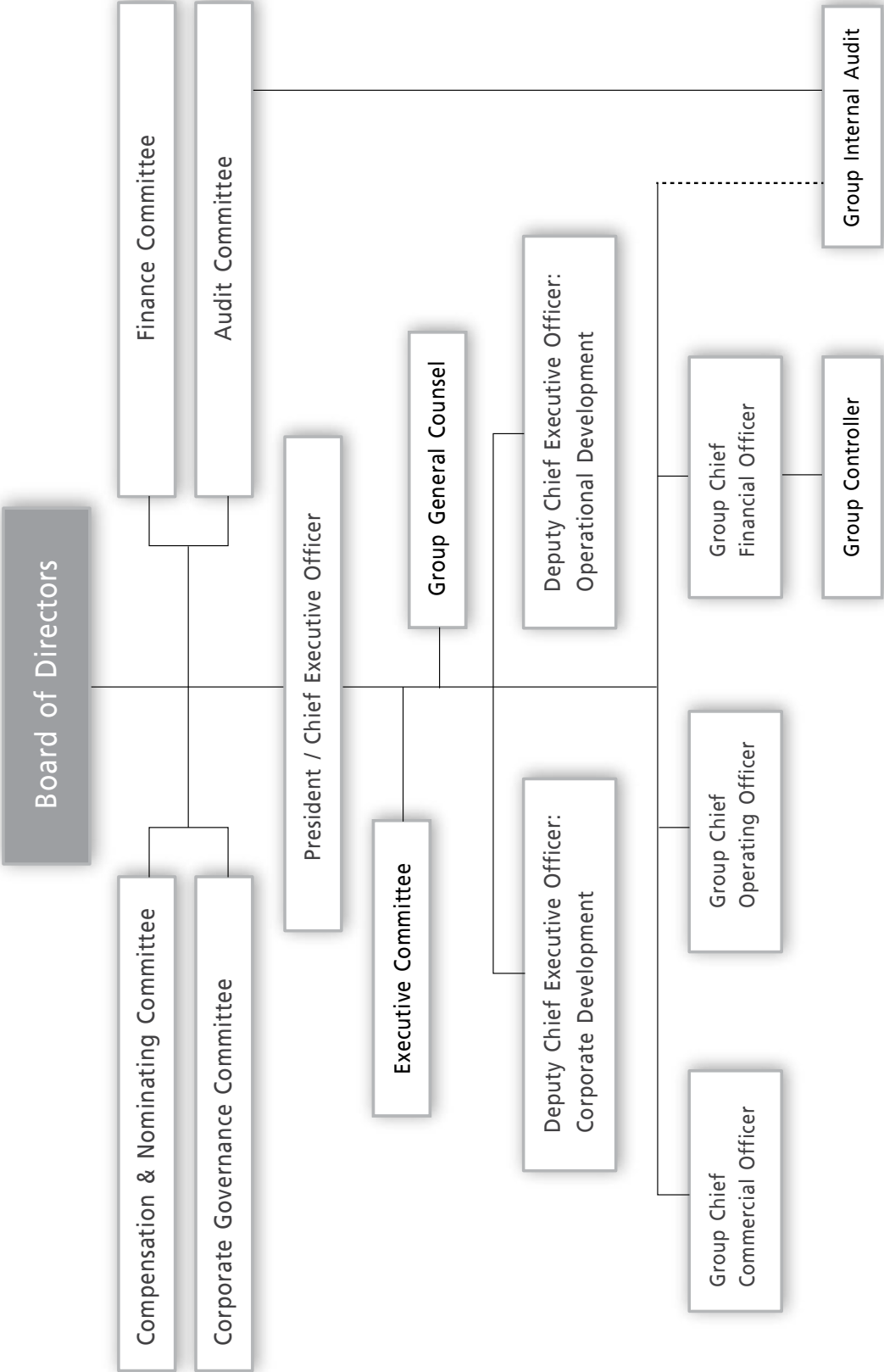
As of 31st December 2016, there were 7 Executive Officers^{1/}, namely:

Name		Position
1. Mr. Suphachai	Chearavanont	President and Chief Executive Officer
2. Prof. Athueck	Asvanund	Vice Chairman and Group General Counsel
3. Mr. Noppadol	Dej-Udom	Deputy Chief Executive Officer
4. Mr. Vichaow	Rakphongphairoj	Deputy Chief Executive Officer
5. Dr. Kittinut	Tikawan	Group Chief Commercial Officer
6. Mr. Adhiruth	Thothaveesansuk	Group Chief Operating Officer
7. Mr. William	Harris	Group Chief Financial Officer, Executive Director - International Business Development and Assistant to CEO

Remark : ^{1/} The term "Executive Officers" referred in the notification of the Office of Securities and Exchange Commission (the "SEC") means the President; persons with managerial authority who are among the top four ranked individuals in the Company, after the President; and all other persons who occupy a position equivalent to a top four ranking.

In this regard, all Executive Officers have qualifications as prescribed by law and are not prohibited under the laws and shall not possess any untrustworthy characteristics under regulations of the SEC.

Management Structure



Authorities and Responsibilities of the CEO and President

The Chief Executive Officer (“CEO”) and President is the highest management position of the Company and appointed by the Board of Directors.

The relationship between the Board of Directors and the management is in the form of collaboration. The Board of Directors acts as the regulator in terms of providing consultation, comments and suggestions to the management, as well as providing support to the operation of the Company’s business, and monitoring the management and the Company’s performance without interfering with the operation of the Company’s business. The CEO and President is responsible for implementing the Board of Directors’ policy, and managing and supervising the operation of the Company’s business in accordance with the Articles of Association of the Company, the shareholder’s resolutions, the Board of Directors’ resolutions, the Company’s business direction and relevant legislations.

The authorities and responsibilities of the CEO and President are as follows:

- >> Establish the business direction, mission, business plan and budget of the Company and submit to the Board of Directors for approval
- >> Formulate business strategies and action plans for the Company according to the Company’s business direction and mission as approved by the Board of Directors
- >> Ensure the strategic alignment of the Company and the effective implementation of the Company’s business plan
- >> Direct, control and monitor the Company’s day-to-day business and risk management according to the Company’s business direction, business plan and budget as approved by the Board of Directors
- >> Ensure the Company’s business be conducted in accordance with relevant laws and regulations
- >> Submit reports on the Company’s business activities and operating performance to the Board of Directors on a regular basis. If the Board of Directors provides comments or suggestions to management, the CEO and President would be responsible for executing those comments or suggestions in order to achieve an effective outcome
- >> Engage in any contract or agreement and approve any expenses as a delegation of authority as defined in the Company’s policy and guideline on Signing Authority. However, in the case of entering into any related party transaction or transaction which may have conflicts of interest with the Company or its subsidiaries, such transaction must be carried out according to relevant laws and regulations
- >> Execute any other tasks assigned by the Board of Directors

3. COMPANY SECRETARY

The Board of Directors appointed Mrs. Rangsinee Sujaritsunchai as a Company Secretary since 27th February 2009. The Company Secretary is responsible for providing advice on laws and regulations related to the Board, helping organize the Board’s activities, monitoring compliance with the Board’s resolutions and undertaking duties as prescribed in the Securities and Exchange Act B.E. 2535 and its amendment. The Company discloses information regarding the Company Secretary in the “Information of the Company Secretary”.

4. REMUNERATION OF THE COMPANY'S DIRECTORS AND EXECUTIVE OFFICERS

(1) Monetary Remuneration

(1.1) Remuneration of Directors

During 1st January - 31st December 2016, the remuneration of 16 directors of the Company were Baht 28,800,000 details are as follows:

	Remuneration per person (Baht)	Total (Baht)
Group 1		
- Chairman		
Mr. Dhanin Chearavanont	3,600,000	
- Independent Directors who are the Chairman of the Committee		
Mr. Vitthya Vejjajiva and Dr. Kosol Petchsuwan	3,600,000	
Total		10,800,000
Group 2		
- Independent Directors who are Committee members		
Mr. Joti Bhokavanij	2,400,000	
Total		2,400,000
Group 3		
- Vice Chairman		
Dr. Ajva Taulananda and Professor Athueck Asvanund	1,800,000	
Total		3,600,000
Group 4		
- Independent Directors	1,200,000	
Mr. Harald Link Professor Rawat Chamchaleram and Mr. Xu Genluo		
- Directors		
Mr. Suphachai Chearavanont		
Mr. Soopakij Chearavanont, Mr. Chatchaval Jiaravanon, Mr. Vichaow Rakphongphairoj, Mr. Umroong Sanphasitvong, Mr. Narong Chearavanont and Professor Dr. Warapatr Todhanakasem	1,200,000	
Total		12,000,000
Grand Total		28,800,000

In addition, Mr. Joti Bhokavanij, Independent Director and Member of the Audit Committee of the Company, also holds a position of Director in two subsidiaries of the Company as a representative of the Company's Audit Committee. He received remuneration from the Company's subsidiaries in 2016 as follows:

	Total remuneration (1 st Jan - 31 st Dec 2016)
1) Director of Bangkok Inter Teletech Public Company Limited	- Baht
2) Director of True Move Company Limited	<u>600,000</u> Baht
Total remuneration	<u>600,000</u> Baht

(1.2) Remuneration of Executive Officers

The top 7 executives received remuneration totaling Baht 150.86 million in the Year 2016 (from 1st January 2016 to 31st December 2016) comprising of salary, performance pay and other benefits.

(2) OTHER REMUNERATION**(2.1) Director's Remuneration**

- None -

(2.2) Executive Officer's Remuneration**(2.2.1) Provident Fund**

The Company provides provident fund plan for its Executive officers which require the Company to make monthly contribution to the fund at 3-7% of the Executive Officers' salary. In 2015, the Company made contributions for 7 Executive Officers in the aggregate amount of Baht 7.40 million.

(2.2.2) Employee Joint Investment Program Year 2014 – 2017 ("EJIP")

The Company has implemented the EJIP which is a long-term incentive plan with a period of 4 years (including Silent Period), starting from 1st January 2014 to 31st December 2017. Eligible Executive Officers must have working period until the initial contribution date of not less than 3 years. The Company will deduct from payroll of eligible Executive Officer who voluntarily joins the program at the rate of 5% of the Executive officers base salary and the Company will contribute 10% of the Executive officers base salary. In 2016, 7 Executive Officers joined the program and the Company made contributions in the aggregate amount of Baht 10.24 million.

5. PERSONNEL

As of 31st December 2016, the total number of employees was as follows:

Work Group and Classification	Number of Employees
Management	93
Service Area & Network Operation	979
Marketing & Sales	427
Information Technology	86
Customer Services	136
Finance & Accounting	105
Support	500
Total	2,326

Source : The Company

EMPLOYEE'S REMUNERATION AND WELFARE

(1) Monetary Remuneration

- >> Monthly Salary
- >> Annual Performance Pay: between zero and 4 times the monthly salary, subject to the Company's performance and financial status.
- >> Retirement: the employee must be aged 60 years or can take early retirement with agreement between the Company and the employee. Severance pay will be paid according to the labor law.

From 1st January to 31st December 2016, the total remuneration for employees was approximately Baht 2,672.94 million, comprising wages and salaries of Baht 2,103.40 million, bonuses of Baht 318.56 million, social security fund of Baht 34.54 million, provident fund of Baht 155.41 million, and other benefits of Baht 61.03 million.

(2) Welfare

>> Health Plans

- In-house clinic
- Annual Medical Check-up
- New Employees' Medical Check-up
- Group Health Insurance
- Group Accident Insurance
- Group Life Insurance
- Social Security Fund
- Provident Fund

>> Annual Leave

The employee shall be entitled to paid annual leave of 10, 12 or 15 working days per calendar year depending on the seniority of their position or their number of years of service as follows:

- Assistant Director or equivalent level and upwards: 15 working days
- Below Assistant Director or equivalent level:
 - a) Past probation to less than 3 years 10 working days
 - b) 3 years upwards to less than 5 years 12 working days
 - c) 5 years upwards 15 working days

6. EMPLOYEE TRAINING AND DEVELOPMENTS

The Company places great emphasis on the training and developments of its employees. Therefore, it has established the "Capability Development & Learning Center" (CD&LC) whose primary objective is to build the employees' competence, which will be the cornerstone of individual and professional development and career opportunities for employees. The Capability Development & Learning Center provides various learning options for the continual development of employees to help them fulfill their current assignments and achieve their career goals. People development will ultimately strengthen organizational performance.

The other major roles of the Capability Development & Learning Center, beyond being an employee training and development programs provider, are those of change agent and business partner for every department.

The Capability Development & Learning Center acts as the change agent by being the change facilitator, who supports the Company's new strategies and directions and encourages all employees to prepare themselves for more complicated challenges.

The Company has opened a new training center at True Tower 2 on Pattanakarn Road, that has been designed to provide an ideal learning atmosphere. The new center also features modern systems for displaying information of company developments and for training registrations. Moreover, a stimulator has been installed to aid in job training so that the employees will have the proper skills to succeed in their tasks.

At the same time, the Capability Development & Learning Center is a business partner for every department which works closely with them, designing and developing appropriate training and development programs to match each department's business roadmap and providing all necessary support.

Presently, the Capability Development & Learning Center has prepared a number of platforms in order to add more learning channels to facilitate their sustainable and continual career development. These include a VDO conference long-distance learning platform for employees who work outside Bangkok; a self-E-learning system; and True-iBook, an electronic journal system and also include the Code of Conduct course which is the rule of working to build the good corporate governance and Anti-Corruption in workplace, there are 2,326 employee participated the course and completed the test through E-Learning.

The Company offers approximately 327 training courses per year. In 2016, the total Training Man-days was 37,027 with an expenditure of THB 73.2 million. There were developmental courses for employees of all levels; for example, Organization Culture 4C, Effective Communications, Planning and Organizing, and Effective Self Development.

In 2016, the Company focused on Customer Centric Organization & High Productivity along with leadership development of all levels in accordance with the Leader Developing Leader Cascade Program. There were over 2,125 attendees in various management skills courses, including Effective Communications, Problem Solving and Decision Making, Negotiations, Project Management, Risk Management, Finance for Non-Finance Manager and Operation Management. The core business, business and product development and new technologies program includes courses such as 4G Technology, FTTx, Digital TV, Broadband Network, and NGN Network & Application. In addition, the Company provided a safety program for technicians and engineers as well as introducing the Teletech system, which combines traditional lectures with E-learning to develop supervisors. Moreover, the Company provided the commercial and customer services development courses for salesman, customer service officers, and technicians, there are True Products & Services, Service Excellence, Managing Your Image, Presentation Excellence, True Dialogue and Information Technology Trainings. These included the customer service and all supporting systems for the company such as data communication network systems and information technology security systems and also include the Code of Conduct course which is the rule of working to build the good corporate governance and Anti-Corruption in workplace, there are 2,326 employee participated the course and completed the test through E-Learning.

Furthermore, the Capability Development and Learning Center cooperated with the both public and private universities / academic institutes to provide courses in ICT and related technology, such as Master of Engineering in Enterprise Architecture with Mahidol University, Master of Business Administration in Retail Management with Assumption University. Beyond this, the Capability Development & Learning Center also arranged training for undergraduates. These are parts of Corporate Social Responsibility and Social Enterprise and good model for the large enterprises to create value for society and country.

INFORMATION OF DIRECTORS, EXECUTIVE OFFICERS, CONTROLLING PARTIES AND COMPANY SECRETARY (AS OF 31st December 2016)**Directors****Name** **Mr. Vitthya Vejjajiva**

Position Independent Director,
Chairman of the Audit Committee
and Member of the Corporate Governance Committee

Age (year) 80

Date of the First Appointment as a Director 4th January 1999

True Share Ownership
31th December 2016

Ordinary share:
Individual:
- None -
Spouse:
- None -

Debenture:
Individual:
- None -
Spouse:
- None -

Family Relationship - None -

Education

Master of Laws, Harvard University, USA
Master of Arts, University of Cambridge, England
Bachelor of Laws, University of Cambridge, England
Barrister-at-law, Gray's Inn

Related training programs held by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP)
- Audit Committee Program (ACP)
- Chairman 2000
- CG Forum 2/2015 : Board's and Management's Responsibilities on Internal Control

Major Experience

True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)

1999 - Present	Independent Director and Chairman of the Audit Committee, True Corporation Public Company Limited
Present	Member of the Corporate Governance Committee, True Corporation Public Company Limited

Positions held in Other Organizations in the Last Year

Other Listed Companies in the Stock Exchange of Thailand

Present	Independent Director and Member of the Audit Committee, Glow Energy Public Company Limited
2002 - Present	Independent Director and Chairman of the Audit Committee, Finansa Public Company Limited

Non-Listed Companies in the Stock Exchange of Thailand

2013 - Present	Independent Director, Bangkok Glass Public Company Limited
1998 - Present	Chairman, K Line (Thailand) Company Limited and its subsidiaries

Other Key Positions

1991 - 1992	Permanent Secretary of the Ministry of Foreign Affairs
1988	Ambassador Extraordinary and Plenipotentiary of the United States of America
1984	Ambassador Extraordinary and Plenipotentiary of Belgium and the European Community
1981	Ambassador Extraordinary and Plenipotentiary of Canada
1979	Director-General of Department of International Economic Affairs

Name	Dr. Kosol Petchsuwan
Position	Independent Director, Member of the Audit Committee and Chairman of the Corporate Governance Committee
Age (year)	77
Date of the First Appointment as a Director	11 th February 1993
True Share Ownership 31st December 2016	<u>Ordinary share:</u> Individual: - None - Spouse: - None -
	<u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	- None -
Education	Doctor of Philosophy (Engineering), Imperial College London Bachelor of Engineering, Imperial College London
Related training programs held by the Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) - Director Certification Program (DCP) - Audit Committee Program (ACP) - Role of the Chairman Program (RCP) - Financial Institutions Governance Program (FGP) - Finance for Non-Finance Directors (FND) - Monitoring Fraud Risk Management (MFM)
Major Experience	<ul style="list-style-type: none"> - Monitoring of the Quality of Financial Reporting (MFR) - Monitoring the Internal Audit Function (MIA) - Monitoring the System of Internal Control and Risk Management (MIR) - Chartered Director Class (R-CDC) - Audit Committee Effectiveness Seminar: What Works Best – Global Practices vs. Practices in Thailand - 2012 Theme: Innovative Approaches to Create Value for Business and Society - IOD Director Briefing 1/2013 Thailand's Economic Outlook 2013 - IOD Tea Talk: "Effective Regulation and Corporate Governance in Asia" - The 2nd National Director Conference 2013 "Board Leadership Evolution" - IOD Director Briefing 2/2014: The Four Pillars of Board Effectiveness - Directors Forum 2014: Family Business Governance of Sustainability - Improving Corporate Governance Key to Advancing Thailand (the 3rd National Director Conference 2014) - CG Forum 2/2015: Board's and Management's Responsibilities on Internal Control - Thailand Competitiveness Conference 2015: Building Competitive Thailand for Sustainability and Inclusiveness

Name**Dr. Kosol Petchsuwan (Continued)****Major Experience**True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)

Present	Independent Director and Member of the Audit Committee, True Corporation Public Company Limited
2011 - Present	Chairman of the Corporate Governance Committee, True Corporation Public Company Limited

Positions held in Other Organizations in the Last Year

Other Listed Companies in the Stock Exchange of Thailand

- None -

Non-Listed Companies in the Stock Exchange of Thailand

2014 - Present	Member of the National Legislative Assembly
2004 - Present	Independent Director and Chairman of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited (Formerly named ACL Bank Public Company Limited)

Other Key Positions

2001 - 2009	Director, Mahidol Wittayanusorn School (Public Organization)
2001 - 2005	President, The Telecommunications Association of Thailand under Royal Patronage
2000 - 2001	Chairman, The Aeronautical Radio of Thailand Limited
1986 - 1992	Rector, King Mongkut's Institute of Technology Ladkrabang

Name	Mr. Joti Bhokavanij
Position	Independent Director, Member of the Audit Committee, Member of the Finance Committee, and Member of the Compensation and Nominating Committee
Age (year)	74
Date of the First Appointment as a Director	22 nd December 1999
True Share Ownership 31th December 2016	<u>Ordinary share:</u> Individual: - None - Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	- None -
Education	Fellow of the Association of Chartered Certified Accountants, England Programme for Management Development, Harvard Business School, USA Marketing Management Programme, Stanford University, Graduate School of Business, USA
Related training programs held by the Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) - Chairman 2000 - Director Certification Program (DCP) - IOD National Director Conference 2012 - Moving Corporate Governance Forward: Challenge for Thai Directors - Monitoring the Quality of Financial Reporting (MFR) - Successful Formulation & Execution of Strategy (SFE) - How to Measure the Success of Corporate Strategy (HMS) - Monitoring Fraud Risk Management (MFM) - Monitoring the Internal Audit Function (MIA) - Monitoring the System of Internal Control and Risk Management (MIR) - CG Forum 2/2015: Board's and Management's Responsibilities on Internal Control
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 1999 - Present Independent Director and Member of the Audit Committee, True Corporation Public Company Limited Present Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited 2002 - Present Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited 2009 - Present Director, Thai Smart Card Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand 2013 - Present Independent Director and Member of the Audit Committee, Siam Makro Public Company Limited 2013 - Present Chairman, Bangkok Ranch Public Company Limited 2012 - Present Independent Director and Member of the Audit Committee, Loxley Public Company Limited Non-Listed Companies in the Stock Exchange of Thailand 1999 - Present Director, Kingfisher Holdings Limited <u>Other Key Positions</u> 2004 - 2006 Chief Executive Officer, ACL Bank Public Company Limited (Presently known as Industrial and Commercial Bank of China (Thai) Public Company Limited) 2000 - 2001 Executive Chairman, TISCO Finance Public Company Limited (Presently known as TISCO Bank Public Company Limited) 1994 - 1997 President & CEO, Thai Wah Group of Companies 1992 - 1994 Managing Director and Consul-General of Denmark for Bangkok, The East Asiatic (Thailand) Public Company Limited

Name	Mr. Harald Link
Position	Independent Director
Age (year)	62
Date of the First Appointment as a Director	1 st March 2010
True Share Ownership 31th December 2016	<u>Ordinary share:</u> Individual: 562,361 shares (0.00%) Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	- None -
Education	MBA, St. Gallen University, Switzerland
Related training programs held by the Thai Institute of Directors Association (IOD)	- None -
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Mar 2010 - Present Independent Director, True Corporation Public Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand 1998 - Present Independent Director, Siam City Cement Public Company Limited Non-Listed Companies in the Stock Exchange of Thailand 1987 - Present Chairman, B. Grimm Group of Companies <u>Other Key Positions</u> 2000 - Feb 2010 Director, True Corporation Public Company Limited

Name	Prof. Rawat Chamchalerm
Position	Independent Director
Age (year)	72
Date of the First Appointment as a Director	11 st March 2010
True Share Ownership 31th December 2016	<p><u>Ordinary share:</u> Individual: 225,244 shares (0.00%) Spouse: 76,728 shares (0.00%)</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p>
Family Relationship	- None -
Education	<p>Master of Laws, Chulalongkorn University Bachelor of Laws, Thammasat University Barrister at Law, Thai Bar Association Degree: National Defence College, Joint Public-Private Course (Class 1)</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP)
Major Experience	<p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Mar 2010 - Present Independent Director, True Corporation Public Company Limited</p> <p><u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand 2010 - Present Chairman of the Board, Sino-Thai Engineering and Construction Public Company Limited Independent Director, LOXLEY Public Company Limited Present Independent Director, Serm Suk Public Company Limited Advisor, Bangkok Airways Public Company Limited Non-Listed Companies in the Stock Exchange of Thailand Present Advisor, A.P. Honda Co., Ltd. Vice Chairman, Don Muang Tollway Public Company Limited Adjunct Professor, Faculty of Law, Chulalongkorn University Adjunct Professor, Institute of Legal Education of the Thai Bar Association Adjunct Professor, Master Degree, Faculty of Social Sciences and Humanities, Mahidol University Adjunct Professor, Doctoral, Bangkokthonburi University Adjunct Professor, Faculty of Law, Mae Fah Luang University Lecturer in Justice Affairs, the Ministry of Justice Lecturer in Department of Special Investigation, the Ministry of Justice Lecturer in Administration Development, the Ministry of Interior of Thailand 2004 – Present Special Lecturer, Office of the Attorney General, Ministry of Interior of Thailand Advisor, Athletic Association of Thailand Patron : His Majesty the King Expert Member in Law, Special Committee in the Council of State 2002 – Present Director, Thai National Food commission Executive Director, National Science and Technology Development Agency Chairman of the Ethics Committee, National Bureau of Agricultural Commodity and Food Standards</p>

Name	Prof. Rawat Chamchalerm (Continued)	
Major Experience	2001 - Present	Director, Board of Directors on Disclosure of Information Member of the Council of State, Office of the Council of State
	1995 - Present	Director, National Olympic Committee of Thailand
	<u>Other Key Positions</u>	
	2007 - 2015	Vice Chairman, Siam City Leasing Factoring Public Company Limited
	2002 - 2014	Expert Member, Board of Special Case, Department of Special Investigation (DSI) Director, The Officer of Board of Royal Thai Police
	2002 - 2004	Chairman and Independent Director, MCOT Public Company Limited
	2003 - 2005	Director, Krung Thai Bank Public Company Limited Legal Counsel, Thai Airways International Public Company Limited
	2003 - 2004	Vice Chairman, Thai Bar Association Attorney General, Office of the Attorney General
	2001 - 2004	Director, Government Pension Fund
	2002 - 2006	Chairman and Independent Director, The Mass Communication Organization of Thailand
	2000 - 2003	Deputy Attorney General, Office of the Attorney General
	2000 - 2002	Director, The Mass Communication Organization of Thailand
	2000 - 2006	Director, Provincial Waterworks Authority
	1996 - 2000	Director General, Technical Affairs Department, Office of the Attorney General
	1996	Director General, Training and Development Institute, Office of the Attorney General
	1996 - 2009	Director, Saengchai Sunthornwat Foundation
	1987 - 1993	Legal Adviser, Commander of the Royal Thai Army Legal Adviser, Supreme Commander
	1993 - 1996	Director, The Communications Authority of Thailand (Presently known as CAT Telecom Public Company Limited)
	1985 - 1997	Director, Metropolitan Waterworks Authority

Name	Mr. Xu Genluo
Position	Independent Director
Age (year)	59
Date of the First Appointment as a Director	2 nd September 2014
True Share Ownership 31th December 2016	<u>Ordinary share:</u> Individual: - None - Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	- None -
Education	Electronics Major, Hangzhou Institute of Electronic Engineering
Related training programs held by the Thai Institute of Directors Association (IOD)	- None -
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 2014 - Present Independent Director, True Corporation Public Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non-Listed Companies in the Stock Exchange of Thailand 2007 - Present President, Thai - Chinese Rayong Industrial Realty Development Co., Ltd. Vice-Chairman, Chinese – Thai Enterprise Association President, Holley Holding (Thailand) Co., Ltd. <u>Other Key Positions</u> - None -

Name	Mr. Dhanin Chearavanont
Position	Chairman of the Board, and Chairman of the Compensation and Nominating Committee
Age (year)	77
Date of the First Appointment as a Director	11 th February 1993
True Share Ownership 31th December 2016	<u>Ordinary share:</u> Individual: - None - Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	Mr. Soopakij's, Mr. Narong's and Mr. Suphachai's father
Education	Commercial School, Hong Kong Shantou Secondary School, The People's Republic of China The National Defence College of Thailand
Related training programs held by the Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP)
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Present Chairman of the Board and Chairman of the Compensation and Nominating Committee, True Corporation Public Company Limited Honorary Chairman, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, Telecom Holding Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand Present Chairman, Charoen Pokphand Foods Public Company Limited Chairman, CP All Public Company Limited Non-Listed Companies in the Stock Exchange of Thailand Present Chairman and Chief Executive Officer, Charoen Pokphand Group Company Limited and its subsidiaries

Name	Dr. Ajva Taulananda
Position	Vice Chairman of the Board, Chairman of the Finance Committee, and Member of the Corporate Governance Committee
Age (year)	78
Date of the First Appointment as a Director	11 th February 1993
True Share Ownership 31st December 2016	<u>Ordinary share:</u> Individual: - None - Spouse: 135,601 Shares (0.00%) <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	- None -
Education	Honorary Doctorate in Management, The University of Thai Chamber of Commerce Honorary Doctorate in Engineering, Ramkhamhaeng University Honorary Doctorate in Engineering, Chulalongkorn University Doctorate in Industrial Engineering and System, Illinois Institute of Technology, USA Master of Industrial Engineering, Iowa State University, USA Bachelor of Industrial Engineering, Chulalongkorn University Special Certificate: Public – Private Joint Defence Curriculum, Class 1, The National Defence College of Thailand
Related training programs held by the Thai Institute of Directors Association (IOD)	- Director Accreditation Program (DAP) - Chairman 2000 - Director Certification Program (DCP)
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Present Vice Chairman of the Board, True Corporation Public Company Limited Chairman of the Finance Committee and Member of the Corporate Governance Committee, True Corporation Public Company Limited Director, Telecom Holding Company Limited Director, True Information Technology Company Limited Director, True Universal Convergence Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non-Listed Companies in the Stock Exchange of Thailand 1992 - Present Vice Chairman, Charoen Pokphand Group Present Chairman, Board of Trustee of Thailand Management Association Director, Office of the National Economic and Social Development Board <u>Other Key Positions</u> 2001 - 2004 Chairman, Thai Chamber of Commerce and Board of Trade of Thailand 1993 - 1999 Director and President, True Corporation Public Company Limited 1991 - 1992 Deputy Minister, Ministry of Agriculture and Cooperatives

Name	Prof. Athueck Asvanund*
Position	Vice Chairman of the Board, and Group General Counsel
Age (year)	65
Date of the First Appointment as a Director	22 nd August 1997
True Share Ownership 31th December 2016	<u>Ordinary share:</u> Individual: 1,707,546 shares (0.01%) Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	- None -
Education	Master of Laws, specialized in International Legal Studies, New York University, USA Bachelor of Laws (Honours), Thammasat University
Training	- Capital Market Academy Leader Program (Class 3), Capital Market Academy - Program for Senior Executive on Administrative Justice (Class 19), Judicial Training Institute - The Rule of Law for Democracy (Class 4), College of Constitution, The Constitutional Court of Thailand
Related training programs held by the Thai Institute of Directors Association (IOD)	- Director Accreditation Program (DAP)
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 1997 - Present Vice Chairman of the Board and Group General Counsel, True Corporation Public Company Limited Director, Subsidiaries of True Corporation Public Company Limited 2002 - Present Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited 2010 - Present Director, True Move H Universal Communication Company Limited 2008 - Feb 2009 Company Secretary, True Corporation Public Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand 1997 - Present Advisor to the Board of Directors, CP All Public Company Limited Non-Listed Companies in the Stock Exchange of Thailand 1997 - Present Group General Counsel, Charoen Pokphand Group Company Limited Present Lecturer, Business Law, Faculty of Law, Chulalongkorn University <u>Other Key Positions</u> 2001 - 2006 Associate Judge, Central Intellectual Property and International Trade Court 1978 - 1997 Baker & McKenzie

* Authorized Signatory

Name	Dr. Li Zhengmao
Position	Vice Chairman of the Board, and Member of the Compensation and Nominating Committee
Age (year)	54
Date of the First Appointment as a Director	2 nd September 2014
True Share Ownership 31th December 2016	<u>Ordinary share:</u> Individual: - None - Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	- None -
Education	PhD in Radio Engineering Department, Southeast University of China
Related training programs held by the Thai Institute of Directors Association (IOD)	- None -
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 2014 - Present Vice Chairman of the Board and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non-Listed Companies in the Stock Exchange of Thailand 2009 - Present Vice President, China Mobile Communications Corporation

Name	Prof. Dr. Warapatr Todhanakasem
Position	Director, and Member of the Finance Committee
Age (year)	67
Date of the First Appointment as a Director	1 st March 2012
True Share Ownership 31th December 2016	<u>Ordinary share:</u> Individual: 67,129 shares (0.00%) Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	- None -
Education	Ph.D. in Business Economics, University of Illinois, Urbana-Champaign, USA M.S. in Economics, University of Illinois, Urbana-Champaign, USA M.B.A. in Finance, Kellogg School of Management, Northwestern University, Evanston, Illinois, USA B.Econ. (1st Class Honor), Thammasat University LL.B., Thammasat University
Related training programs held by the Thai Institute of Directors Association (IOD)	- Director Certification Program (DCP) - Director Accreditation Program (DAP) - The Role of Chairman (RCM) - Role of the Compensation Committee (RCC)
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 2012 - Present Director, True Corporation Public Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand 2010 - Present Independent Director, Khon Kaen Sugar Industry Public Company Limited 2009 - Present Chairman and Independent Director, Prinsiri Public Company Limited 2012 - Present Director, Amata Vn Public Company Limited Non-Listed Companies in the Stock Exchange of Thailand June 2012 - Present Director, Institute of Research and Development for Public Enterprises of Thailand (IRDPE) 2010 - Present Chairman, Pantavanij Company Limited 2007 - Present Expert Director, Faculty of Commerce and Accountancy, Thammasat University Arbitrator, The Securities and Exchange Commission

Name	Prof. Dr. Warapatr Todhanakasem (Continued)
Major Experience	<p data-bbox="563 277 746 304"><u>Other Key Positions</u></p> <ul data-bbox="563 309 1455 853" style="list-style-type: none"> - President, TRIS Corporation Limited (TRIS) - President, TRIS Rating Company Limited - First Senior Vice President, Kasikorn Bank Public Company Limited - Member of Committee on Drafting Securitization Act, Ministry of Finance - Member of Committee on Independent Supervisory Agencies Bureau of State Enterprises and Government Securities, Ministry of Finance - Member of Search Committee for Managing Director, The Stock Exchange of Thailand - Member of Corporate Governance Promotion Sub-Committee, The Stock Exchange of Thailand - Member of Committee on Manpower Management in Public Sector, The Office of the Civil Service Commission - External Quality Assessor, The Office for National Education Standards and Quality Assessment (Public Organization) - Chairman of Executive MBA Program, Thammasat University - Member of Committee on Development of Corporate Governance Course, Faculty of Commerce and Accountancy, Thammasat University - Expert Member, Education Quality Assurance National Institute of Development Administration

Name	Mr. Umroong Sanphasitvong
Position	Director, Member of the Finance Committee and Member of the Compensation and Nominating Committee
Age (year)	64
Date of the First Appointment as a Director	16 th November 2001
True Share Ownership 31st December 2016	<u>Ordinary share:</u> Individual: 1,552,206 shares (0.00%) Spouse: 5,271 shares (0.00%) <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	- None -
Education	Master of Accounting, Thammasat University Bachelor of Accounting, Thammasat University
Related training programs held by the Thai Institute of Directors Association (IOD)	- Director Certification Program (DCP) - IOD National Director Conference 2012 – Moving Corporate Governance Forward: Challenge for Thai Directors - Role of the Compensation Committee - Ethical Leadership Program - IT Governance
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 2001 - Present Director, True Corporation Public Company Limited Present Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited Director, Thai Smart Card Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand Present Director, CP All Public Company Limited Director, Siam Makro Public Company Limited Non-Listed Companies in the Stock Exchange of Thailand Present Deputy Group CFO, Charoen Pokphand Group Company Limited Director, CPPC Public Company Limited Director, C.P. Lotus Corporation Director, ICONSIAM Company Limited (Formerly named Grand River Place Corporation Company Limited) Director, The Iconsiam Residences Corporation Limited (Formerly named Grand River Front Corporation Company Limited) Director, The Iconsiam Superlux Residence Corporation Limited (Formerly named Grand River Park Corporation Company Limited) Director, True Leasing Company Limited Director, Wire & Wireless Company Limited Director, True Lifestyle Retail Company Limited Director, True Properties Company Limited Director, True Digital Content and Media Company Limited Director, True Digital Plus Company Limited Director, Bake House Company Limited Director, Ascend Group Company Limited

Name	Mr. Vichaow Rakphongphairoj*
Position	Director and Deputy Chief Executive Officer
Age (year)	59
Date of the First Appointment as a Director	30 th November 2000
True Share Ownership 31st December 2016	<u>Ordinary share:</u> Individual: 1,431,076 shares (0.00%) Spouse: - None - <u>Debenture:</u> TUC: Individual: 2,000 units Spouse: 500 units
Family Relationship	- None -
Education	Master of Business Administration, Pepperdine University, USA Master of Electrical Engineering, University of Wisconsin, USA Bachelor of Electrical Engineering, Arizona State University, USA
Training	- Senior Executives on Justice Administration Program (No. 15) - Capital Market Academy Leader Program (No. 14)
Related training programs held by the Thai Institute of Directors Association (IOD)	Director Certification Program (DCP No. 16)
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> May 2015 - Present Director and Deputy Chief Executive Officer True Corporation Public Company Limited Present President, True Universal Convergence Company Limited Director, Telecom Holding Company Limited Director, True Information Technology Company Limited Director, True Touch Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, True Move Company Limited Director, Thai Smart Card Company Limited Director, Cineplex Company Limited Director, True Move H Universal Communication Company Limited Director, True Visions Group Company Limited Director, Telecom Asset Management Company Limited Director, True Incube Company Limited True Corporation Public Company Limited - 2014 - May 2015 Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance Broadband, Mobile, CATV - 2012 - 2013 Director and Group Chief Operating Officer - Network Quality and Operation and Maintenance - 2000 - 2012 Director, Managing Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance - 1998 - 2000 E.V.P., Business & Enterprise - 1997 - 1998 E.V.P., Central Operation & Information Technology - 1996 - 1997 Region Director, Bangkok-Southeast Region - 1995 - 1996 Region Director, Bangkok-West Region

* Authorized Signatory

Name

Mr. Vichaow Rakphongphairoj* (Continued)

Major Experience

Positions held in Other Organizations in the Last Year

Other Listed Companies in the Stock Exchange of Thailand

- None -

Non-Listed Companies in the Stock Exchange of Thailand

Present

Chairman of Executive Committee, Pantavanij Company Limited

Chairman of Executive Committee, Freewill Solutions Company Limited

* Authorized Signatory

Name	Mr. Chatchaval Jiaravanon*
Position	Director
Age (year)	55
Date of the First Appointment as a Director	11 th February 1993
True Share Ownership 31st December 2016	<u>Ordinary share:</u> Individual: 810,884 shares (0.00%) Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	- None -
Education	Bachelor of Business Administration University of Southern California, USA
Related training programs held by the Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP)
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 1993 - Present Director and Managing Director-Group Investment, True Corporation Public Company Limited 2000 - Present President and CEO, Telecom Holding Company Limited Present Director, Cineplex Company Limited Director, K.I.N. (Thailand) Company Limited (Registered in foreign) Director, NEC Corporation (Thailand) Company Limited Director, Panther Entertainment Company Limited Director, Sattellite Service Company Limited Director, True Information Technology Company Limited Director, True Media Solutions Company Limited (Formerly True Digital Media Company Limited) Director, True Touch Company Limited Director, True Universal Convergence Company Limited Director, True Visions Group Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand 2013 -Present Director, SVI Public Company Limited 2007 - Present Chairman of the Board Finansia Syrus Securities Public Company Limited 2001- Present Independent Director and Member of the Audit Committee, Ticon Industrial Connection Public Company Limited 2000 - Present Director, AEON Thana Sinsap (Thailand) Public Company Limited Non-Listed Companies in the Stock Exchange of Thailand 2006 - Present Chairman, Thai Kodama Company Limited 1990 - Present Director, Metro Machinery Company Limited <u>Other Key Positions</u> 2005 - 2013 Director, Amanah Leasing Public Company Limited 1992 - 2005 Director, Thai Kodama Company Limited

* Authorized Signatory

Name	Mr. Soopakij Chearavanont*
Position	Director, and Member of the Compensation and Nominating Committee
Age (year)	53
Date of the First Appointment as a Director	11 th February 1993
True Share Ownership 31st December 2016	<u>Ordinary share:</u> Individual: 4,346,491 shares (0.01%) Spouse: 3,045 shares (0.00%) <u>Debenture:</u> Individual: - None - Spouse: - None -
Family Relationship	Mr. Dhanin's son, Mr. Narong's, and Mr. Suphachai's elder brother
Education	Bachelor of Science Degree in the College of Business and Public Administration of New York University, USA
Related training programs held by the Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP) 92/2011
Major Experience	<u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Present Director and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited Chairman, True Visions Group Company Limited Executive Chairman, Telecom Holding Company Limited Chairman, SM True Company Limited Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, True Universal Convergence Company Limited Director, True Information Technology Co., Ltd. Director, True Internet Company Limited Director, Satellite Service Company Limited Director, True Media Solutions Company Limited (Formerly True Digital Media Company Limited) Director, Panther Entertainment Company Limited Director, Cineplex Company Limited Director, BEC-Tero TrueVisions Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand Present Director, C.P. All Public Company Limited Director, Siam Makro Public Company Limited Non - Listed Companies in the Stock Exchange of Thailand Present Executive Vice Chairman, Charoen Pokphand Group Company Limited Chairman, Chia Tai Land Holding Company Limited Chairman, Chia Tai Land Property Management Company Limited Chairman, Chia Tai Real Estate Group Company Limited Chairman, Chia Tai Lotus (Shanghai) Company Limited Chairman, Fortune Leasing Company Limited Chairman, Mass Gain Investment Limited Chairman, Beijing Lotus Supermarket Chain Store Company Limited Co-Chairman, Shanghai Kinghill Limited – Super Brand Mall Chief Executive Officer & Executive Vice Chairman, Marketing and Distribution Business (China),

* Authorized Signatory

Name**Mr. Soopakij Chearavanont* (Continued)****Major Experience**

Charoen Pokphand Group Company Limited
 Chief Executive Officer, Real Estate & Land Development Business (China),
 Charoen Pokphand Group Company Limited
 Executive Chairman & Chief Executive Officer, C.P. Lotus Corporation
 Executive Vice Chairman & Chief Executive Officer, Shaghai Lotus
 Supermarket Chain Store Company Limited
 Vice Chairman, Marketing and Distribution Business (Thailand), Charoen
 Pokphand Group Company Limited
 Vice Chairman, Real Estate and Land Development Business (Thailand),
 Charoen Pokphand Group Company Limited
 Vice Chairman, Telecommunication Business,
 Charoen Pokphand Group Company Limited
 Vice Chairman, Automotive Industrial Business (China),
 Charoen Pokphand Group Company Limited
 Vice Chairman, Chia Tai Trading (Beijing) Company Limited
 Vice Chairman, Chia Tai Vision Limited
 Vice Chairman, Chia Tai International Finance Company Limited
 Vice Chairman, Shanghai Fortune World Development Company Limited
 Director, Chia Tai Development Investment Company Limited
 Director, Chia Tai Group Company Limited
 Director, CP Pokphand Company Limited
 Director, Fortune Shanghai Limited
 Director, Lotus-CPF (PRC) Investment Company Limited
 Director, Ping An Insurance (Group) Company of China Limited

Other Key PositionsCommunity Service

2016 Honorary Committee of Thailand Cambodia Friendship Association
 2014 Advisor to the Deputy Minister of Defence
 Advisor to the Deputy Minister of Education
 2013 Advisor to Minister of Culture
 Advisor to the Deputy Minister of Defence
 2012 Expert to the Committee on Labour and Social Welfare Group
 2011 Vice Chairman of Youth Committee of China Overseas Chinese Investment
 Enterprises Association
 2010 Chairman of China Thailand Chamber of Commerce
 2009 Committee Members of the Build Foundation
 Advisor to the Committee on Education, The House of Representatives
 Advisor to Minister of Culture
 2008 Honorary Consul of the Russian Federation for the Provinces of Phuket,
 Krabi and Phang-nga
 Committeeman of Chinese People's Government Consultant Committee -
 Wuhan Province No. 10th
 2006 Award of Bai Yu Lan from Shanghai Government
 Member of Fudan Incentive Management Fund Committee of Fudan University
 Management Committee of Chia Tai International Center of Peking University
 Advisor of the Standing Committee on Public Health, The House of Representatives
 2005 Member of Young Thai Entrepreneurs Association (YTEA)
 Vice President of Thai-Chinese Promotion of Investment and Trade Association
 2004 Committee on Cultural Promotion Fund of Office of the National Cultural Commission
 Vice President of Thailand Equestrian Federation
 2002 Member of Young Thai Entrepreneurs Assembly
 Vice Chairman of Thailand-China Business Council
 1995 Honorary Advisor to the Senate Standing Committee on Sports,
 The House of Representatives
 1993 Member of Thai-Chinese Culture and Economy Association Committee on
 Children, Youth, Women and the Elderly

Royal Decorations

2013 Knight Grand Cross (First Class) of the Most Noble Order of the Crown of Thailand
 2012 Companion (Fourth Class) of the Most Exalted Order of the White Elephant
 2010 Companion (Fourth Class) of the Most Noble Order of the Crown of Thailand
 2008 Companion (Fifth Class) of the Most Exalted Order of the White Elephant

* Authorized Signatory

Name	Mr. Narong Chearavanont																																																
Position	Director																																																
Age (year)	52																																																
Date of the First Appointment as a Director	29 th April 2008																																																
True Share Ownership 31st December 2016	<p><u>Ordinary share:</u> Individual: 304,269 shares (0.00%)</p> <p><u>Debenture:</u> Individual: - None -</p>																																																
Family Relationship	Mr. Dhanin's son, Mr. Soopakij's younger brother, and Mr. Suphachai's elder brother																																																
Education	Honorary Doctor of Business Administration Program, Ramkhamhaeng University Bachelor of Science, Major in Business Administration, New York University, USA Advance Management Program: Transforming Proven Leaders into Global Executives, Harvard Business School, Harvard University																																																
Training	Systematic Innovation of Products, Processes and Services, MIT SLOAN EXECUTIVE EDUCATION (2015)																																																
Related training programs held by the Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP) (2007)																																																
Major Experience	<p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <table> <tr> <td>2008 - Present</td><td>Director, True Corporation Public Company Limited</td></tr> <tr> <td>Present</td><td>Director and Executive Vice Chairman, True Visions Group Company Limited</td></tr> <tr> <td></td><td>Director, True CJ Creations Company Limited</td></tr> <tr> <td>2011 - Present</td><td>Vice Chairman, SM True Company Limited</td></tr> <tr> <td>2010 - Present</td><td>Director, Panther Entertainment Company Limited</td></tr> <tr> <td>2009 - Present</td><td>Vice Chairman, Cineplex Company Limited</td></tr> <tr> <td></td><td>Director, Satellite Service Company Limited</td></tr> </table> <p><u>Positions held in Other Organizations in the Last Year</u></p> <p>Other Listed Companies in the Stock Exchange of Thailand</p> <table> <tr> <td>2013 - Present</td><td>Director, Siam Makro Public Company Limited</td></tr> <tr> <td>1999 - Present</td><td>Director, CP All Public Company Limited</td></tr> </table> <p>Non-Listed Companies in the Stock Exchange of Thailand</p> <table> <tr> <td>Jan 2015 - Present</td><td>Vice Chairman, Charoen Pokphand Group</td></tr> <tr> <td>Present</td><td>Director, Shanghai Changfa Shopping Center Company Limited</td></tr> <tr> <td></td><td>Director, Shanghai Yalian Supermarket Company Limited</td></tr> <tr> <td></td><td>Director, Shanghai Jialian Supermarket Company Limited</td></tr> <tr> <td></td><td>Director, Zhengzhou Lotus Supermarket Chain Store Company Limited</td></tr> <tr> <td></td><td>Director, Foshan Nanhai Huanantong Trading Development Company Limited</td></tr> <tr> <td></td><td>Director, Guangdong Huanantong Trading Development Company Limited</td></tr> <tr> <td></td><td>Director, Zhanjing C.P. Lotus Supermarket Company Limited</td></tr> <tr> <td></td><td>Director, Shanghai Xinlian Supermarket Company Limited</td></tr> <tr> <td></td><td>Governance Committee, Leadership Development Institute</td></tr> <tr> <td>2013 - Present</td><td>Director, Shanghai Yilian Supermarket Company Limited</td></tr> <tr> <td></td><td>Director, Shanghai Ailian Supermarket Company Limited</td></tr> <tr> <td></td><td>Director, Shanghai Songlian Supermarket Company Limited</td></tr> <tr> <td></td><td>Director, Wenzhou Yichu Ailian Supermarket Company Limited</td></tr> <tr> <td></td><td>Director, OHT Company Limited</td></tr> </table>	2008 - Present	Director, True Corporation Public Company Limited	Present	Director and Executive Vice Chairman, True Visions Group Company Limited		Director, True CJ Creations Company Limited	2011 - Present	Vice Chairman, SM True Company Limited	2010 - Present	Director, Panther Entertainment Company Limited	2009 - Present	Vice Chairman, Cineplex Company Limited		Director, Satellite Service Company Limited	2013 - Present	Director, Siam Makro Public Company Limited	1999 - Present	Director, CP All Public Company Limited	Jan 2015 - Present	Vice Chairman, Charoen Pokphand Group	Present	Director, Shanghai Changfa Shopping Center Company Limited		Director, Shanghai Yalian Supermarket Company Limited		Director, Shanghai Jialian Supermarket Company Limited		Director, Zhengzhou Lotus Supermarket Chain Store Company Limited		Director, Foshan Nanhai Huanantong Trading Development Company Limited		Director, Guangdong Huanantong Trading Development Company Limited		Director, Zhanjing C.P. Lotus Supermarket Company Limited		Director, Shanghai Xinlian Supermarket Company Limited		Governance Committee, Leadership Development Institute	2013 - Present	Director, Shanghai Yilian Supermarket Company Limited		Director, Shanghai Ailian Supermarket Company Limited		Director, Shanghai Songlian Supermarket Company Limited		Director, Wenzhou Yichu Ailian Supermarket Company Limited		Director, OHT Company Limited
2008 - Present	Director, True Corporation Public Company Limited																																																
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	Director, Wenzhou Yichu Ailian Supermarket Company Limited																																																
	Director, OHT Company Limited																																																

Name	Mr. Narong Chearavanont (Continued)	
Major Experience	2012 - Present	Director, Shanghai Caillian Supermarket Company Limited Director, Nantung Tonglian Supermarket Company Limited Director, Kunshan Taillian Supermarket Company Limited Director, C.P. Zonglian (Shanghai) Management Company Limited Chief Executive Officer, Shanghai Litai Logistics Company Limited Director, Shantou Lotus Supermarket Chain Store Co., Ltd. Director, Guangzhou Lotus Supermarket Chain Store Co., Ltd. Director, Beijing Lotus Supermarket Chain Store Co., Ltd.
	2011 - Present	Executive Vice Chairman, Chia Tai Qingdao Holdings (Hongkong) Limited Executive Vice Chairman, Chia Tai Xiangyang Holdings (Hongkong) Limited Executive Vice Chairman, Chia Tai Qingdao Holdings Limited Executive Vice Chairman, Chia Tai Xiangyang Holdings Limited Executive Director, The ICONSIAM Superlux Residences Corporation Limited (formerly : Grand River Park Company Limited) Executive Director, The ICONSIAM Residences Corporation Limited (formerly : Grand River Place Company Limited) Executive Director, The ICONSIAM Corporation Limited (formerly : Grand River Front Company Limited) Senior Executive Assistant to Chairman, Charoen Pokphand Group "Global Talent Recruitment"
	2010 - 2013	President, CP Corporate University
	2010 - Present	Vice Chairman, Marketing and Distribution Business (Thailand) Vice Chairman, Marketing and Distribution Business (China) Vice Chairman, Real Estate & Land Development Business (China) Vice Chairman, Shanghai Kinghill Limited Vice Chairman, CP Lotus Corporate Management Company Limited
	2009 - Present	Director, Wuxi Ailian Supermarket Chain Store Company Limited Director, Wuxi Yilian Supermarket Company Limited Director, Taizhou Yilian Supermarket Company Limited Director, Hefei Ailian Supermarket Company Limited Director, Changsha Chulian Supermarket Co., Ltd. Director, Wuhan Yichu Ailian Supermarket Co., Ltd.
	2008 - Present	Director, Guangzhou Lotus Supermarket Chain Store Company Limited Director, CPPC Company Limited Director, Beston Action Utility Wear (Lianyungang) Company Limited Director, Jiangsu CP Lotus Supermarket Chain Store Company Limited Director, Beijing CP Lotus Supermarket Chain Store Company Limited Director, Zhejiang CP Trading Company Limited
	2007 - Present	Director, Foshan C.P. Lotus Management Consulting Company Limited Executive Vice Chairman, CP Lotus Corporation Company Limited Executive Vice Chairman, Chia Tai (China) Investment Company Limited
	2005 - Present	Director, Qingdao Lotus Supermarket Chain Store Company Limited
	2004 - Present	Director, Xi'an Lotus Supermarket Chain Store Company Limited Director, Shantou Lotus Supermarket Chain Store Company Limited
	2003 - Present	Director, Tai'an Lotus Supermarket Chain Store Company Limited Director, Beijing Lotus Supermarket Chain Store Company Limited
	2002 - Present	Director, Business Development Bank
	2001 - Present	Chairman, Yangtze Supermarket Investment Company Limited Director, Wuhan Lotus Supermarket Chain Store Company Limited
	2000 - Present	Director, Shanghai Lotus Supermarket Chain Store Company Limited
	<u>Other Key Positions</u>	
	2007 - 2010	Director, C.P. Pokphand Company Limited
	1997 - 2002	President, Ex-Chor Trading (Shanghai) Co., Ltd.
	1995 - 1997	President, Ex-Chor Distribution (Thailand) Co., Ltd.

Name**Dr. Xia Bing****Position**

Director and Member of the Finance Committee

Age (year)

43

Date of the First Appointment as a Director8th September 2016**True Share Ownership 31st December 2016**Ordinary share:

Individual:

- None -

Spouse:

- None -

Debenture:

Individual:

- None -

Spouse:

- None -

Family Relationship

- None -

Education

- Ph.D in Industrial Economy, Jiangxi University of Finance and Economics
- MBA, Jiangxi University of Finance and Economics
- Bachelor's Degree in Management Engineering, Beijing University of Posts and Telecommunications
- Bachelor's Degree in Telecommunication Engineering, Beijing University of Posts and Telecommunications

Related training programs held by the Thai Institute of Directors Association (IOD)

- None -

Major ExperienceTrue Corporation Public Company Limited and its Subsidiaries (in the past 5 years)

Sep 2016 - Present Director and Member of the Finance Committee,
True Corporation Public Company Limited

Positions held in Other Organizations in the Last Year

Other Listed Companies in the Stock Exchange of Thailand

- None -

Non-Listed Companies in the Stock Exchange of Thailand

Jul 2016 - Present General Manager of Marketing Department,
China Mobile Communications Corporation

Other Key Positions

Nov 2014 - Jun 2016 General Manager, China Mobile Group Qinghai Co., Ltd.

Mar 2010 - Oct 2014 Deputy General Manager, China Mobile Group Qinghai Co., Ltd.

Name	Mr. Suphachai Chearavanont*																												
Position	Director, President and Chief Executive Officer																												
Age (year)	49																												
Date of the First Appointment as a Director	11 th February 1993																												
True Share Ownership 31st December 2016	<p><u>Ordinary share:</u> Individual: 5,382,766 shares (0.02%) Spouse: 1,930,255 shares (0.01%)</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p>																												
Family Relationship	Mr. Dhanin's son, Mr. Soopakij's and Mr. Suphachai's younger brother																												
Education	Bachelor of Business Administration in Financial Management Boston University, USA																												
Related training programs held by the Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP) 92/2011																												
Major Experience	<p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <p>True Corporation Public Company Limited</p> <table border="0"> <tr><td>1999 - Present</td><td>Director, President and Chief Executive Officer</td></tr> <tr><td>1997</td><td>Senior Executive Vice President</td></tr> <tr><td>1996</td><td>Executive Vice President, Business Operations</td></tr> <tr><td>1995</td><td>General Manager, East Region</td></tr> <tr><td>1994</td><td>Senior Vice President, Planning and Project Coordination & Support</td></tr> <tr><td>1993</td><td>Vice President, the Operation Room</td></tr> <tr><td>1992</td><td>Senior Officer, the President's Office</td></tr> </table> <p>True's Subsidiaries</p> <table border="0"> <tr><td>Present</td><td>Director and Chief Executive Officer, True Visions Group Company Limited</td></tr> <tr><td>2001 - Present</td><td>Chief Executive Officer, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited</td></tr> <tr><td>2010 - Present</td><td>Chief Executive Officer, True Move H Universal Communication Company Limited</td></tr> <tr><td>2005 - Present</td><td>Director, K.I.N. (Thailand) Company Limited</td></tr> </table> <p>Directorships</p> <ul style="list-style-type: none"> - True Corporation Public Company Limited - True Move Company Limited - Other subsidiaries of True Corporation Public Company Limited <p><u>Positions held in Other Organizations in the Last Year</u></p> <p>Other Listed Companies in the Stock Exchange of Thailand</p> <ul style="list-style-type: none"> - None - <p>Non-Listed Companies in the Stock Exchange of Thailand</p> <table border="0"> <tr><td>2015 - Present</td><td>Vice Chairman, Charoen Pokphand Group</td></tr> <tr><td>2016 - Present</td><td>Chairman, Steering Committee, UN Global Compact Local Network in Thailand</td></tr> <tr><td>2015 - Present</td><td>President, The Telecommunications Association of Thailand under the Royal Patronage</td></tr> </table>	1999 - Present	Director, President and Chief Executive Officer	1997	Senior Executive Vice President	1996	Executive Vice President, Business Operations	1995	General Manager, East Region	1994	Senior Vice President, Planning and Project Coordination & Support	1993	Vice President, the Operation Room	1992	Senior Officer, the President's Office	Present	Director and Chief Executive Officer, True Visions Group Company Limited	2001 - Present	Chief Executive Officer, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited	2010 - Present	Chief Executive Officer, True Move H Universal Communication Company Limited	2005 - Present	Director, K.I.N. (Thailand) Company Limited	2015 - Present	Vice Chairman, Charoen Pokphand Group	2016 - Present	Chairman, Steering Committee, UN Global Compact Local Network in Thailand	2015 - Present	President, The Telecommunications Association of Thailand under the Royal Patronage
1999 - Present	Director, President and Chief Executive Officer																												
1997	Senior Executive Vice President																												
1996	Executive Vice President, Business Operations																												
1995	General Manager, East Region																												
1994	Senior Vice President, Planning and Project Coordination & Support																												
1993	Vice President, the Operation Room																												
1992	Senior Officer, the President's Office																												
Present	Director and Chief Executive Officer, True Visions Group Company Limited																												
2001 - Present	Chief Executive Officer, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited																												
2010 - Present	Chief Executive Officer, True Move H Universal Communication Company Limited																												
2005 - Present	Director, K.I.N. (Thailand) Company Limited																												
2015 - Present	Vice Chairman, Charoen Pokphand Group																												
2016 - Present	Chairman, Steering Committee, UN Global Compact Local Network in Thailand																												
2015 - Present	President, The Telecommunications Association of Thailand under the Royal Patronage																												

* Authorized Signatory

Name**Mr. Suphachai Chearavanont* (Continued)****Major Experience**

2010 - Present	Director and Advisor of Master of Science Program, and Doctor of Philosophy Program in Technopreneurship and Innovation Management (TIP), Chulalongkorn University Advisor to Executive Chairman of Rajaprajanugroh Foundation Director of Ramathibodi Foundation The Bangkok Art and Culture Centre Foundation Committee
2009 - Present	Board Member of Board of Trustees, Bangkok University
2008 - Present	Member of Management Committee on Nation-wide Strategic Approach Eye Provisioning Project
2006 - Present	Chairman of the Sub Committee for Fund Raising Thai Red Cross Eye Bank Member of the Thai Red Cross Eye Bank Committee
2000 - Present	Chairman, Freewill Solutions Company Limited
1999 - Present	Director & Advisor of the Telecommunications Association of Thailand under the Royal Patronage (TCT)

Directorships

- Asia Freewill Company Limited
- Pantavanij Company Limited
- Director, CPPC Public Company Limited
- Director, C.P. Lotus Corporation
- Director, Freewill Solutions Company Limited
- Director, C.P. Pokphand Company Limited

Other Key Positions

2010 - 2011	Director of The National Electronics and Computer Technology Center
2008 - 2009	Member of Fund Raising and Public Relations Committee for the Construction of a Medical Facility in Honor of HM the King and the Purchase of Medical Equipments
2005 - 2007	Member of the Listed Companies Association (LCA)
1999 - 2013	Chairman, Wire & Wireless Company Limited
2001 - 2010	Chairman, Pantavanij Company Limited
1996	President, Asia Multimedia Company Limited
1995	Managing Director, Wire & Wireless Company Limited
1991	2 Years with Vinythai Company Limited
1990	1 Year with Soltex Federal Credit Union, USA
1989	1 Year with Siam Makro Company Limited

* Authorized Signatory

Name	Mr. Noppadol Dej-Udom
Position	Deputy Chief Executive Officer
Age (year)	49
Date of the First Appointment	1 st January 2008
True Share Ownership 31th December 2016	<p><u>Ordinary share:</u> Individual: 2,917,533 shares (0.01%) Spouse: - None -</p> <p><u>Debenture:</u> TUC: Individual: 5,000 units Spouse: - None -</p>
Family Relationship	- None -
Education	<p>Master's Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor's Degree in Mechanical Engineering, Rensselaer Polytechnic Institute, USA</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	<p>- Director Certification Program 101/2008 - Anti-Corruption: The Practical Guide (ACPG), 2016</p>
Major Experience	<p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <p>May 2016 - Present Deputy Chief Executive Officer</p> <p>2008 - May 2016 Group Chief Financial Officer</p> <p>2016</p> <p>Director, True Internet Company Limited</p> <p>Director, True International Communication Company Limited</p> <p>Director, True Music Company Limited</p> <p>Director, Real Move Company Limited</p> <p>Director, True Move H Universal Communication Company Limited</p> <p>Director, True Visions Group Company Limited</p> <p>Director, Telecom Holding Company Limited</p> <p>Director, Telecom Asset Management Company Limited</p> <p>Director, TRUE4U Station Company Limited</p> <p>Director, True Incube Company Limited</p> <p>Director, Gold Palace Investment Limited</p> <p>Director, Golden Light Company Ltd.</p> <p>Director, True Internet Technology (Shanghai) Company Limited</p> <p>Director, Goldsky Company Ltd.</p> <p>Director, Gold Palace Logistics Limited</p> <p>Director, GP Logistics Limited</p> <p>Director, Golden Pearl Global Limited</p> <p>2009 - 2016 Director, True Information Technology Company Limited</p> <p><u>Positions held in Other Organizations in the Last Year</u></p> <p>Other Listed Companies in the Stock Exchange of Thailand</p> <p>- None -</p> <p>Non-Listed Companies in the Stock Exchange of Thailand</p> <p>- None -</p> <p><u>Other Key Positions</u></p> <p>2003 - 2007 Director & General Manager - Online</p> <p>2000 - 2003 Senior Vice President - Corporate Finance</p>

Name	Dr. Kittinut Tikawan
Position	Group Chief Commercial Officer
Age (year)	44
Date of the First Appointment	25 th May 2016
True Share Ownership 31st December 2016	<p><u>Ordinary share:</u> Individual: 1,679,076 shares (0.01%)</p> <p><u>Debenture:</u> TRUE: Individual: 2,000 units TUC: Individual: 2,300 units</p>
Family Relationship	- None -
Education	<ul style="list-style-type: none"> - Doctorate in Organization Development, Assumption University - Master of Business Administration, Assumption University - Master of Science in Information Systems, Assumption University - Bachelor of Business Administration in Marketing, Assumption University
Related training programs held by the Thai Institute of Directors Association (IOD)	- None -
Major Experience	<p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <p>May 2016 - Present Group Chief Commercial Officer, True Corporation Public Company Limited</p> <p>Sep 2010 - Present Director, True Trademark Holdings Company Limited</p> <p>Feb 2015 - May 2016 Head of Commercial & Business Development, Mobile (True Move)</p> <p>Jan 2014 - Feb 2015 Director, Retail Business - Device Product Management</p> <p>Jan 2014 Managing Director, Retail Business - Retail Business</p> <p>Nov 2012 - Jan 2014 Director, Retail Business - Device Product Management</p> <p>Sep 2012 - Nov 2012 Deputy Director, Retail Business - Device Product Management</p> <p>Dec 2011 - Sep 2012 Deputy Director, Retail Business - Device Product Management 1 (Apple iOS)</p> <p>Jan 2011 - Dec 2011 Deputy Director, Retail Business - Sales Channel Management</p> <p>Nov 2009 - Jan 2011 Deputy Director, Sales & Retail - New Business Development</p> <p><u>Positions held in Other Organizations in the Last Year</u></p> <p>Other Listed Companies in the Stock Exchange of Thailand</p> <p>- None -</p> <p>Non-Listed Companies in the Stock Exchange of Thailand</p> <p>- None</p> <p><u>Other Key Positions</u></p> <p>Jul 2009 - Nov 2009 General Manager, True Lifestyle Retail - True Lifestyle Retail Shop Management, True Corporation Public Company Limited</p> <p>Feb 2009 - Jul 2009 General Manager, True Lifestyle Retail - Non Food Services Management. True Corporation Public Company Limited</p> <p>Sep 2006 - Mar 2009 Vice President, Noble Development Public Company Limited</p> <p>Jan 2004 - Jul 2013 Managing Director, Asia Books Company Limited</p>

Name	Mr. Adhiruth Thothaveesansuk
Position	Group Chief Operating Officer
Age (year)	53
Date of the First Appointment	13 th January 1998
True Share Ownership 31st December 2016	<p><u>Ordinary share:</u> Individual: 4,750,823 shares (0.01%) Spouse: - None -</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p>
Family Relationship	- None -
Education	<p>Master of Finance & Marketing, Indiana University of Pennsylvania, USA Bachelor of Industrial Management, Thammasat University</p>
Training	Capital Market Academy (CMA16)
Related training programs held by the Thai Institute of Directors Association (IOD)	<p>- Director Certification Program (DCP) - Director Diploma of Australian Institution of Director 2005</p>
Major Experience	<p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> May 2016 - Present Group Chief Operating Officer 2014 - May 2016 Group Chief Information Officer and Group Managing Director - Regional Management True Corporation Public Company Limited 2012 - 2014 Managing Director – Mobile Business True Corporation Public Company Limited Present Director, True Life Plus Company Limited Director, BFKT (Thailand) Limited Director, True United Football Club Company Limited Director, Gold Palace Investments Limited Director, Satellite Service Company Limited Director, Panther Entertainment Company Limited Director, True Music Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, Telecom Holding Company Limited Director, True Move Company Limited Director, TRUE4U Station Company Limited Director, True Visions Group Company Limited Director, Golden Light Company Ltd. Director, Gold Palace Logistics Limited Director, True Internet Technology (Shanghai) Company Limited 2006 - Present Director, True Public Communication Company Limited 2002 Chief Commercial Officer, True Move Company Limited 2001 Executive Vice President, True Corporation Public Company Limited</p> <p><u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non-Listed Companies in the Stock Exchange of Thailand - None -</p>
	<p><u>Other Key Positions</u> 2003 President, Asia Wireless Communication Company Limited 1998 - 2002 General Manager, Wire & Wireless Company Limited 1998 - 2001 President, Asia Wireless Communication Company Limited</p>

Name	Mr. William Harris
Position	Group Chief Financial Officer, Executive Director International Business Development, and Assistant to CEO
Age (year)	55
Date of the First Appointment	7 th October 2009
True Share Ownership 31th December 2016	<p><u>Ordinary share:</u> Individual: 1,445,197 shares (0.00%) Spouse: - None -</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p>
Family Relationship	- None -
Education	<p>Master of Business Administration, Major in Finance and Marketing, Wharton School of the University of Pennsylvania Bachelor of Science in Economics, Wharton School of the University of Pennsylvania</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	- None -
Major Experience	<p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <p>May 2016 - Present Group Chief Financial Officer and 2009 - Present Executive Director - International Business Development and Assistant to CEO 2014 - Present Director, True Visions Group Company Limited Director, True Vistas Company Limited 2011 - Present Director, Rosy Legend Limited Director, Prospect Gain Limited Director, True Internet Technology (Shanghai) Company Limited 2010 - Present Director, True Trademark Holdings Company Limited Director, Gold Palace Investments Limited Director, Golden Light Company Ltd. Director, Gold Palace Logistics Limited 2006 - Present Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited</p> <p><u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non-Listed Companies in the Stock Exchange of Thailand - None -</p> <p><u>Other Key Positions</u> 2001 - 2007 Chief Financial Officer 1999 - 2000 Executive Vice President - Corporate Finance 1993 - 1999 Director, Credit Policy, Verizon Communications, Philadelphia</p>

INFORMATION OF THE COMPANY SECRETARY (AS OF 31ST DECEMBER 2016)

Company Secretary

Name	Mrs. Rangsinee Sujaritsunchai
Position	Company Secretary
Age (year)	51
Date of the First Appointment as a Company Secretary	27 th February 2009
True Share Ownership 31th December 2016	<p><u>Ordinary share:</u></p> <p>Individual:</p> <p>- None -</p> <p>Spouse:</p> <p>- None -</p> <p><u>Debenture:</u></p> <p>Individual:</p> <p>- None -</p> <p>Spouse:</p> <p>- None -</p>
Family Relationship	- None -
Education	<p>Master of Science (Accounting), Thammasat University</p> <p>Bachelor of Accounting, Chulalongkorn University</p>
Related training programs held by the Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> - Company Secretary Program 19/2006 (CSP) - Effective Minute Taking 5/2006 (EMT) - Corporate Governance and Social Responsibilities 1/2007 (CSR) - Anti-Corruption: The Practical Guide (ACPG 5/2013) - Anti-Corruption: The Practical Guide (ACPG 32/2016)
Major Experience	<p><u>True Corporation Public Company Limited</u></p> <p>2009-Present Company Secretary</p> <p>2001-Present Secretary to the Audit Committee</p> <p> Secretary to the Compensation and Nominating Committee</p> <p> Secretary to the Corporate Governance Committee</p> <p> Assistant to the Secretary of the Finance Committee</p> <p>2001-2009 Deputy Company Secretary</p> <p>2000-2001 Assistant General Counsel – SEC & SET Compliance</p> <p><u>Charoen Pokphand Foods Public Company Limited</u></p> <p>1991-2000 Manager – Accounting and SEC & SET Compliance</p> <p>1990-1991 Senior Analyst – Office of the Economic Advisor</p>

Securities Holding of the Company's Directors and Executives as at 31st December 2016

Name	Ordinary Shares (Shares)				Debentures (Units)			
	As at 31 Dec 2015	Changes in 2016	As at 31 Dec 2016		As at 31 Dec 2015	Changes in 2016	As at 31 Dec 2016	
			Number of Shares	%			Number of Shares	%
1. Mr. Vitthya Vejajiva		Acquisition	-	-				
		Disposition	-	-				
Spouse and minor children		Acquisition	-	-				
		Disposition	-	-				
2. Dr. Kosol Petchsuwan		Acquisition	-	-				
		Disposition	-	-				
Spouse and minor children		Acquisition	-	-				
		Disposition	-	-				
3. Mr. Joti Bhokavanij		Acquisition	-	-				
		Disposition	-	-				
Spouse and minor children		Acquisition	-	-				
		Disposition	-	-				
4. Mr. Harald Link	298,681	Acquisition	263,680	562,361	0.00			
		Disposition	-	-				
Spouse and minor children		Acquisition	-	-				
		Disposition	-	-				
5. Prof. Rawat Chamchalem	141,095	Acquisition	84,149	225,244	0.00			
		Disposition	-	-				
Spouse and minor children	75,595	Acquisition	1,133	76,728	0.00			
		Disposition	-	-				
6. Mr. Xu Genluo		Acquisition	-	-				
		Disposition	-	-				
Spouse and minor children		Acquisition	-	-				
		Disposition	-	-				
7. Mr. Dhanin Chearavanont		Acquisition	-	-				
		Disposition	-	-				
Spouse and minor children		Acquisition	-	-				
		Disposition	-	-				
8. Dr. Ajva Taulananda		Acquisition	-	-				
		Disposition	-	-				
Spouse and minor children		Acquisition	135,601	135,601	0.00			
		Disposition	-	-				
9. Prof. Athueck Asvanund	1,379,231	Acquisition	328,315	1,707,546	0.01			
		Disposition	-	-				
Spouse and minor children		Acquisition	-	-				
		Disposition	-	-				
10. Mr. Li Zhengmao		Acquisition	-	-				
		Disposition	-	-				
Spouse and minor children		Acquisition	-	-				
		Disposition	-	-				
11. Prof. Dr. Warapatr Todhanakasem	33,133	Acquisition	33,996	67,129	0.00			
		Disposition	-	-				
Spouse and minor children		Acquisition	-	-				
		Disposition	-	-				
12. Mr. Umroong Sanphasitvong	1,078,848	Acquisition	473,358	1,552,206	0.00			
		Disposition	-	-				
Spouse and minor children	3,888	Acquisition	1,383	5,271	0.00			
		Disposition	-	-				

Name	Ordinary Shares (Shares)				Debentures (Units)			
	As at 31 Dec 2015	Changes in 2016	As at 31 Dec 2016		As at 31 Dec 2015	Changes in 2016	As at 31 Dec 2016	
			Number of Shares	%			Number of Shares	%
13. Mr. Vichaow Rakphongphairoj	719,590	Acquisition 711,486	1,431,076	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
14. Mr. Chatchaval Jiaravanon	507,946	Acquisition 302,938	810,884	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
15. Mr. Soopakij Chearavanont	3,260,474	Acquisition 1,086,017	4,346,491	0.01	-	-	-	-
		Disposition -						
Spouse and minor children	3,000	Acquisition 45	3,045	0.00	-	-	-	-
		Disposition -						
16. Mr. Narong Chearavanont	224,386	Acquisition 79,883	304,269	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
17. Mr. Xia Bing	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
18. Mr. Suphachai Chearavanont	4,527,335	Acquisition 855,431	5,382,766	0.02	-	-	-	-
		Disposition -						
Spouse and minor children	1,901,710	Acquisition 28,545	1,930,255	0.01	-	-	-	-
		Disposition -						
19. Mr. Noppadol Dej-Udom	1,699,556	Acquisition 1,217,977	2,917,533	0.01	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
20. Mr. William Harris	954,582	Acquisition 490,615	1,445,197	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
21. Mr. Adhiruth Thothaveesansuk	3,111,843	Acquisition 1,638,980	4,750,823	0.01	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
22. Mr. Kittinut Tikawan	-	Acquisition -	1,679,076	0.01	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						

Report on the Directors' Shareholding in the Company's Affiliates as of 31st December 2016

Director	Mr. Dhanin Chearavanont		Dr. Ajva Taulananda		Mr. Chatchaval Jiaravanon		Mr. Soopakij Chearavanont		Mr. Suphachai Chearavanont		Mr. Vichaow Rakphongphairoj	
	Change in 2016	Outstanding Share(s)	Change in 2016	Outstanding Share(s)	Change in 2016	Outstanding Share(s)	Change in 2016	Outstanding Share(s)	Change in 2016	Outstanding Share(s)	Change in 2016	Outstanding Share(s)
Company												
Telecom Holding Co., Ltd.	-	1	-	-	-	-	-	-	-	1	-	-
Bangkok Inter Teletech Public Company Limited	1	-	-	-	-	-	-	-	1	-	1	-
True Information Technology Co., Ltd.	-	-	-	1	-	-	-	-	-	1	-	1
True Touch Co., Ltd.	-	-	-	1	-	1	-	1	-	1	-	1
True Multimedia Co., Ltd.	-	-	-	1	-	1	-	1	-	1	-	1
Asia Wireless Communication Co., Ltd.	-	-	-	1	-	1	-	1	-	1	-	1
True Internet Co., Ltd.	-	-	-	1	-	1	-	1	-	1	-	2
Real Move Company Limited	-	-	-	-	-	-	-	1	-	1	-	1
True Distribution and Sales Co., Ltd.	-	-	-	-	-	-	-	-	-	1	-	-
BFKT (Thailand) Limited	-	-	-	-	-	-	-	-	-	1	-	-
True Vistas Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1
True Visions Group Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1
True Move H Universal Communication Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1
Telecom Asset Management Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1
True Incube Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-

[illegible]

* Independent Director

CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE POLICY

The Company fully recognizes the importance of corporate governance and established its “Policy on Corporate Governance” in 2002. This is regularly modified to take account of changes in the Company’s business. It is also kept in line with the corporate governance-related laws and regulations issued by the Stock Exchange of Thailand (“SET”) to international standards. The details of Policy on Corporate Governance are posted on the Company’s website at www.truecorp.co.th.

2. THE BOARD’S COMMITTEES

The Committees of the Board of Directors consists of 4 committees as follows:

- 1) Audit Committee
- 2) Compensation and Nominating Committee
- 3) Finance Committee
- 4) Corporate Governance Committee

1) AUDIT COMMITTEE

The Audit Committee of the Company has three year term consisting of 3 persons as follows:

NAME	POSITION	THE AUDIT COMMITTEE MEETING IN 2016	
		Number of Meeting ^{1/}	Number of Attendance
1. Mr. Vitthya Vejajiva	Chairman of the Audit Committee	7	7
2. Dr. Kosol Petchsuwan	Member of the Audit Committee	7	7
3. Mr. Joti Bhokavanij ^{2/}	Member of the Audit Committee	7	7

Remark: ^{1/} In the Year 2016, the Audit Committee held 7 meetings, one of which was a meeting with the external auditor without the presence of management.

^{2/} Mr. Joti Bhokavanij is knowledgeable and experienced in reviewing the Company’s financial statements. Details about his education and working experiences are as appeared in the annual report and the Annual Registration Statement for the Year 2016 (“Report 56-1”).

THE SCOPE OF DUTY AND RESPONSIBILITIES OF THE AUDIT COMMITTEE:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system including risk management system and internal audit system to ensure that they are suitable and effective, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the regulations of SET, and the laws relating to the Company's business;
4. To review the Company's compliance with the Anti-Corruption Policy and Measure
5. To consider and make recommendation on the appointment, re-appointment, and removal of an independent person to be the Company's auditor, and to propose the auditing fee, as well as to attend a non-management meeting with an auditor at least once a year;
6. To review the Connected Transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of SET, and are reasonable and for the highest benefit of the Company;
7. To prepare, and to disclose in the Company's annual report, an Audit Committee's Report which will be signed by the Audit Committee's Chairman and consist of at least the following information:
 - a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - b) an opinion on the adequacy of the Company's internal control system,
 - c) an opinion on the compliance with the law on securities and exchange, the regulations of SET, or the laws relating to the Company's business,
 - d) an opinion on the suitability of an auditor,
 - e) an opinion on the transactions that may lead to conflicts of interests,
 - f) the number of Audit Committee meetings, and the attendance of such meetings by each committee member,
 - g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
 - h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and
8. To perform any other acts as required by law or as delegated by the Board of Directors

In this regards, the Company has disclosed the Charter of the Audit Committee on the Company's website www.truecorp.co.th and disclosed the Report of the Audit Committee for the Year 2016 in the annual report and Report 56-1 and on the Company's website.

2) COMPENSATION AND NOMINATING COMMITTEE

The Compensation and Nominating Committee is responsible for making recommendations to the Board of Directors regarding the compensation of directors and CEO; and the nomination of directors of the Company. The Committee consists of the following members:

NAME	THE COMPENSATION AND NOMINATING COMMITTEE MEETING IN 2016	
	Number of Meeting	Number of Attendance
1. Mr. Dhanin Chearavanont	4	-
2. Mr. Soopakij Chearavanont	4	4
3. Mr. Umroong Sanphasitvong	4	4
4. Mr. Joti Bhokavanij	4	4
5. Dr. Li Zhengmao	4	1

In this regards, the Company has disclosed the Charter of the Compensation and Nominating Committee on the Company's website www.truecorp.co.th and disclosed the Report of the Compensation and Nominating Committee for the Year 2016 in the annual report and on the Company's website.

3) FINANCE COMMITTEE

The Finance Committee assists the Board of Directors in overseeing the financial management and performance of the Company. To perform this role, the Finance Committee shall provide opinions and advices to the Board of Directors regarding financial strategies, annual budget, substantial borrowing or indebtedness, securities issuance, acquisitions or disposals of material assets and material investment proposal. The Committee consists of the following members:

NAME	THE FINANCE COMMITTEE MEETING IN 2016	
	Number of Meeting ^{1/}	Number of Attendance
1. Dr. AjvaTaulananda	6	4
2. Prof. Dr. Warapatr Todhanakasem	6	6
3. Mr. Umroong Sanphasitvong	6	6
4. Mr. Joti Bhokavanij	6	6
5. Dr. Xia Bing ^{2/} (In replacement of Mr. Gao Nianshu, who resigned in the year 2016)	1 ^{3/}	1
Mr. Gao Nianshu	5	2

Remark: ^{1/} In the Year 2016, the Finance Committee held 6 meetings.

^{2/} Board of Directors Meeting of True Corporation Public Company Limited No.6/2559 held on September 8, 2016 has passed the resolution to appoint Dr. Xia Bing as Director and member of the Finance Committee in replacement of Mr. Gao Nianshu who resigned from the position of Director of the Company as effective on September 8, 2016.

^{3/} Prior the appointment of Dr.Xia Bing as member of the Finance Committee, there were 5 Finance Committee meeting(s).

In this regards, the Company has disclosed the Charter of the Finance Committee on the Company's website www.truecorp.co.th and disclosed the Report of the Finance Committee for the Year 2016 in the annual report and on the Company's website.

4) CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee assists the Board of Directors in setting and reviewing the Company's corporate governance policy as well as oversees that the Company has a sound and appropriate corporate governance practice. The Committee consists of the following members:

NAME	THE CORPORATE GOVERNANCE COMMITTEE MEETING IN 2016	
	Number of Meeting	Number of Attendance
1. Dr. Kosol Petchsuwan	5	5
2. Mr. Vitthya Vejajiva	5	5
3. Dr. AjvaTaulananda	5	5

In this regards, the Company has disclosed the Charter of the Corporate Governance Committee on the Company's website www.truecorp.co.th and disclosed the Report of the Corporate Governance Committee for the Year 2016 in the annual report and on the Company's website.

3. NOMINATION AND APPOINTMENT OF DIRECTORS AND CEO

1) INDEPENDENT DIRECTOR

The procedure for nominating an Independent Director of the Company is the same as the nomination of other directors of the Company, details of which are summarized in Item 2). Nonetheless, a person who will served as the Company's independent director must be independent of any major shareholder, the group of major shareholders and the management of any juristic person who is the major shareholder of the Company including free from any other relationship that would interfere with the exercise of independent judgment and holds qualifications defined in the Corporate Governance Policy of the Company (which are more rigorous than that defined by the Capital Market Supervisory Board in area of shareholding percentage). Details are as follows:

- (1) holding shares *not* exceeding 0.75 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate, principal shareholder or controlling person of the Company, including the shares held by related persons of the independent director;
- (2) *neither* being *nor* having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, principal shareholder or controlling person of the Company unless the foregoing status has ended *not* less than two years prior to the date of appointment;

- (3) *not* being a person related by blood or registration under laws i.e. father, mother, spouse, sibling, and child, including spouse of the children; of other directors, executives, major shareholders, controlling persons, or persons to be nominated as director executive or controlling persons of the Company or its subsidiary;
- (4) *not* having a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgment, and neither being nor having been a principal shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company unless the foregoing relationship has ended *not* less than two years prior to the date of appointment.

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board concerning rules on connected transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- (5) *neither* being *nor* having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and *not* being a principal shareholder or controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the Company unless the foregoing relationship has ended *not* less than two years from the date of appointment;
- (6) *neither* being *nor* having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the Company, and *neither* being *nor* having been a principal shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended *not* less than two years from the date of appointment;
- (7) *not* being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the major shareholder;
- (8) *not* operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares *not* exceeding one percent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or subsidiary;
- (9) *not* having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs;
- (10) After having been appointed as independent director with qualifications complying with the criteria under the above (1) to (9), the independent director may be assigned by the Board of Directors to take part in the business decision of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company on the condition that such decision must be a collective one;

(11) In case of any person *either* having *or* having had a business relationship or professional service exceeding the amount under the above (4) or (6), such person shall be waived from the prohibition concerning *neither* having *nor* having had a business relationship or professional service by the Board of Directors' approval only if the Company provides the opinion of the Board of Directors which perform duty under Section 89/7 of the Securities and Exchange Act B.E. 2535 that the appointment of such person does not impact his or her independent judgment and the Company shall disclose the information required by the Capital Market Supervisory Board in the notice of shareholders' meeting in the agenda for election of such independent director.

All Independent Directors of the Company are genuinely independent and are not authorized signatories binding the Company. All Independent Directors are qualified according to the regulations of the Capital Market Supervisory Board and the Policy on Corporate Governance of the Company.

2) DIRECTORS

The Company allows minority shareholders to submit nominations for directors before the Annual General Meeting of the Shareholders by using the form provided by the Company and sending it by registered mail to the Company within the specified period. The Company posts details, rules as well as procedures thereof on the Company's website www.truecorp.co.th.

The Compensation and Nominating Committee is responsible for appraising the qualifications of persons proposed as directors (including independent directors) of the Company in light of the significant prestige, experience required, an overall understanding of telecommunications technologies and industry and qualifications in line with the Company's business strategies to fill the role and with full qualifications required by law and without prohibition and trustworthy characteristics as per notification of the Office of Securities and Exchange Commission. The Committee's deliberations are presented to the Board of Directors for consideration and approval in case of replacement. In case of proposing additional Directors, the Board of Directors will present the relevant information, together with the Compensation and Nominating Committee's opinion, to the Shareholders' Meeting for consideration and approval.

Directors are appointed by shareholders by majority vote. All shareholders have the right to appoint directors. Each shareholder is entitled to one vote for each share held and shall exercise all the votes he or she holds to appoint one or several person(s) to be director(s), provided that he or she cannot divide his or her votes to any person to any extent. However, the Company complies with good corporate governance by allowing shareholders to exercise the right to appoint directors individually by nominating candidates together with their resumes for consideration and voting by shareholder's meeting individually. Candidates shall be appointed as directors in order of their ranks from the highest votes received until all of the director positions are filled. In case the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the Chairman shall have a casting vote.

3) TOP EXECUTIVES

The Compensation and Nominating Committee shall consider qualifications of individuals to be nominated for election to be the President and Chief Executive Officer (the "CEO"), which is the top executive of the Company, taking into consideration their qualifications and experiences to find individuals appropriate to the business of the Company, and present the nomination and recommendations to the Board of Directors for consideration and approval.

4. SUPERVISION OF BUSINESS OPERATION OF SUBSIDIARIES AND ASSOCIATED COMPANIES

1) The Company has the following mechanisms to supervise business operation of subsidiaries and associated companies.

- >> Sending individuals to represent the Company as directors and executives in subsidiaries and associated companies in accordance with shareholding proportion. The Board of Directors assigned the CEO to consider sending the Company's representatives for such purpose.

- >> Directors and executives of subsidiaries and associated companies are required to ensure that policies significant to the business operation of subsidiaries and associated companies are determined in harmony with the Company's business policies.
- >> Subsidiaries are supervised to comply with requirements of the SET where such requirements are applicable to the subsidiaries, i.e. preparation of financial information, entering into related party transactions, acquisition or disposal of significant assets or any other significant transactions of such companies.
- >> Ensuring that subsidiaries have appropriate and adequate internal control system and prepare financial information for the Company to enable the Company to prepare consolidated financial statement properly in accordance with Thai financial reporting standards.
- >> Preparing summarized business operation result reports of subsidiaries by their business categories for presentation to the Board of Directors meeting regularly on a quarterly basis to monitor the business operation results of subsidiaries.

2) Agreement between the Company and other shareholders in the management of subsidiary companies and associated companies (shareholders' agreement) with significant effect on work management or control power or profit sharing other than remuneration proportional to normal shareholding

- None -

5. INSIDER TRADING POLICY

The Board of Directors is aware of the importance of protecting the Company from personal insider trading. The Company has a code of conduct regarding inside information and insider trading, as well as the use of applicable laws to monitor and prevent the personal use of confidential Company information by management and related persons. In addition, the Company has a policy of strict compliance to its requirement that Directors and senior management who have gained inside information on the Company by virtue of their positions do not use that information in any way that violates their responsibilities to the Company and its Shareholders. Material information which has not yet been disclosed is kept confidential, apart from disclosure to the relevant Director and senior management of the Company. Directors and senior management must report purchases, sales, transfers and assignments of securities issued by the Company to the Securities and Exchange Commission ("SEC") within three working days of the transaction's execution, and provide a copy of this report to the Company for its records and incorporation in its regular report to the Board of Directors. In this regard, Directors and senior management are required to submit an accurate report on the securities holding within the required period. This will be deemed one of the material obligations which senior management of the Company needs to be aware of and needs to meet. This gives confidence to Directors and senior management that the business is being managed and developed in a manner which is trustworthy, transparent, and consistent with the Corporate Governance Policy of the Company. It also provides shareholders, including general investors, with confidence in the Company's Directors and senior management.

Additionally, the Company has set the additional practice regarding insider information governance which is notification of prohibition period for trading the Company's securities before public disclosure of the Company's financial results. The Company shall inform to the directors, executives and officers who may access into information relating to financial statements including their spouse and minors not to trade the Company's securities in the period of 1 month prior to the public disclosure of financial statements and 1 business day after such disclosure.

6. REMUNERATION FOR AUDIT FIRM

1) AUDIT FEE

In 2016, the Company and subsidiaries paid audit fee to the firm, to which the auditors work for, in the total amount of Baht 28.85 million, of which Baht 14.55 million was paid in the 2016 fiscal year and the remaining Baht 14.30 million would be paid in the following year, comprising.

- >> Audit fee of the Company for 2016 in the amount of Baht 6.20 million, of which Baht 3.57 million was paid in the 2016 fiscal year and Baht 2.63 million would be paid in the following year.
- >> Audit fee of subsidiaries for 2016 in the amount of Baht 22.65 million, of which Baht 10.98 million was paid in the 2016 fiscal year and Baht 11.67 million would be paid in the following year.

2) NON-AUDIT FEE

The audit firm appointed by the Company provided services other than auditing to the Company and subsidiaries, i.e. examination by an agreed method and provision of consultations on taxes etc. during 2016, with remuneration of Baht 3.17 million, of which Baht 0.94 million was paid by the Company and subsidiaries during the year, and the remaining Baht 2.23 million would be paid in the following year.

7. OTHER CORPORATE GOVERNANCE PRACTICES

The Company has two levels of corporate governance oversight, by the Board of Directors and by management. The Board of Directors has established the Corporate Governance Committee which comprises Dr. Kosol Petchsuwan, Mr. Vitthya Vejajiva and Dr. Ajva Taulananda. Corporate governance at management level is overseen by the CEO and other senior executives.

The Company has already complied with the Principles of Good Corporate Governance for Listed Companies 2012 issued by SET, except for some cases that the Company still could not comply with as the following information.

1. The Board of Directors comprise of at least 5 members and no more than 12 members.

Explanation: Currently, the Company has 18 directors of which suitable for the size of the Company's business. Since the Company has many types of business which are operated by the Company's subsidiaries, the Company needs to have more than 12 directors in order to direct and supervise the management of each Company's subsidiaries.

2. The Board of Directors shall composed of a majority of Independent Directors (more than 50%)

Explanation: Currently, the Company has Independent Directors in the ratio of one third of the total number of all directors, provided that all directors are professional and independently perform his duties in his roles and responsibilities. Board of Directors is of the opinion that the element of the Board of Directors is suitable and all directors are independent to take their roles, of which no different from the element that the Board of Directors composed of a majority of Independent Directors (more than 50%).

3. The Board of Directors has a term limit of nine years or less for Independent Directors.

Explanation: Since the Company's type of business is unique and complex, the Company requires Independent Directors who have knowledge, expertise, specific experience, and truly understanding in the Company's business, of which shall take time to study and understand. However, even Independent Directors take a position of Independent Directors more than 9 years; but with their professional and dignity, they shall still perform their roles independently.

4. The Chairman of the Board of Directors shall be Independent Director.

Explanation: Since the Company's type of business is unique and complex, the Company requires leader who have ability, experience, and truly understanding in business management. However, even the Chairman of the Board of Directors is not Independent Directors, but the Company has already set the sufficient internal control system and mechanism to balance power and transparency appropriately. In addition, the advantage of having the Chairman of the Board of Directors from major shareholders is that the Chairman will strongly responsible for his role and will not abandon the Company in crisis situation, and also will build credibility to the finance institutions.

5. The Chairman of the Compensation Committee shall be Independent Director.

6. The Chairman of the Nominating Committee shall be Independent Director.

Explanation: (Point 5. and 6.) Even though the Chairman of the Compensation Committee and Nominating Committee is not the Independent Directors, the Company has already set the guidelines regarding the transparency and fairness of nomination and determination of compensation as follows;

- >> For the nomination of directors, the person who can be nominated to be director shall be qualified by laws, and also shall have knowledge and wide experiences in characteristics that involved with strategy of the Company's business and beneficiary to the Company.
- >> For the determination of directors' compensation, the Company has annually reviewed the appropriateness of directors' compensation by concerning to the level of the same industry, experiences, duties, together with responsibilities of directors. However, no matter changing or not changing of the rate of the compensations of directors, the Company shall annually propose the rate of the compensations of directors to Shareholders' meeting for consideration and approval.

7. The Compensation Committee shall composed of a majority of Independent Directors (more than 50%)

8. The Nominating Committee shall composed of a majority of Independent Directors (more than 50%)

Explanation: (Point 7. and 8.) The Compensation and Nominating Committee of the Company consists of 5 members of which one is the Independent Director. From the past performance of such 5 members, all of them keep one's principle to perform their duties and responsibilities with their free discretion following the Charters of Compensation and Nominating Committee. The Committee also can independently share their approval and objection without intervention from management, the Company has already considered that the element of the Compensation and Nominating Committee is suitable for the Company.

In 2016 the Company complied with good corporate governance principles which could be summarized as follows.

SECTION 1 RIGHTS OF SHAREHOLDERS

1. Shareholder meetings

- 1.1 The Board of Directors realizes and places importance on rights of shareholders as well as equitable and fair treatment to shareholders, and, therefore, prescribed a policy relating to shareholders as a part of the Policy on Corporate Governance of the Company, taking into consideration rights of shareholders of all groups as much as possible, not limited only to the rights prescribed by law.
- 1.2 In 2016, the Company organized 1 shareholder meetings, i.e. the 2016 Annual General Meeting of the Shareholders (the "AGM") on 8 April 2016. All shareholder meetings of the Company were organized on such dates, at such time and venue by taking into account convenience of shareholders attending the meetings, by having organized the meetings on working days and hours, i.e. 14.00 hours at the Head Office of the Company, located in Bangkok where access thereto is convenient. Moreover, map and information on travel thereto were prepared as a document attached to the letters of invitation to the meetings and sent to all shareholders eligible to attend the meetings.
- 1.3 In all shareholder meetings, including the 2016 AGM, the Company informed shareholders, in the letters of invitation to the meetings and relevant documents, of the dates, times, venues, meeting agendas, all information relating to the matters to be decided in the meetings, as well as causes and backgrounds of the

matters to be decided, by clearly specifying facts, reasons and objectives including comments of the Board of Directors in each agenda, emphasizing on details for those who have not been aware thereof to comprehend the matter easily. In addition, the Company also provided information on votes of shareholders in resolving to grant approval in each agenda proposed in the letters of invitation to the meetings, rules adopted in the meetings, classes of shares and voting rights as well as voting procedures by sending letters of invitation to the meetings to all shareholders entitled to attend the meetings in advance of the meeting dates to enable shareholders to have sufficient time to consider the information and refrain from committing any act which may limit their opportunity to study information of the Company. The Company has no policy to hinder or create obstacles to prevent shareholders from communicating among them.

- 1.4 The President and the Chief Executive Officer and the Chairman of the Audit Committee participated in the 2016 AGM.
- 1.5 In all previous shareholder meetings, including the 2016 AGM, the shareholder meetings have considered the matters in accordance with the agendas prescribed in the letters of invitation to the meetings delivered by the Company to shareholders in advance, without changing the sequence of the meeting agendas and without adding other agendas not specified in the letters of invitation to the meetings.
- 1.6 Remunerations of directors of the Company are in one format only, i.e. regular monthly remuneration determined on individual positions basis. The Company pays no other form of remuneration, such as meeting allowance and bonus or gratuity, to directors. The Company proposed the agenda on remunerations of directors to the AGM regularly on annual basis. As for 2016, the Compensation and Nominating Committee reviewed the appropriateness of the remunerations of directors, taking into consideration the performance standards of the same industry, as well as the experience, duties and responsibilities of directors, and recommended to the Board of Directors meeting that the same rate of remunerations as that previously approved by resolution of the 2015 AGM, which has never been changed since 2002, should be presented to the 2016 AGM for approval.
- 1.7 The Board of Directors concurred with the Audit Committee's recommendation to propose the appointment of the Company's auditor and the determination of the audit fee for the Year 2016 to the AGM for approval as the Company has done annually. To provide auditor information for shareholders prior to the AGM Day, the Company disclosed the following auditor information in the AGM invitation letter: name of the auditor, age, company name, educational background, working experience, experience in conducting the audit and expressing an opinion on the financial statements, family relationship with the Company's management, any relationship or conflicts of interests, which could affect the independence of their performing as well as the audit fee proposed for the year 2016 and its remuneration in the previous year.
- 1.8 The Company disclosed the dividend distribution policy of the Company and subsidiaries companies in the annual report and Report 56-1 and also presented it to the AGM for consideration regularly on annual basis, with clear information and supporting reasons for the 2016 AGM. The Company proposed to the shareholders' meeting to distribute dividends and to appropriate to the reserve fund from the 2015 operation result.
- 1.9 Regarding the agenda to consider the election of the directors, the Company nominated candidates for shareholders to elect as directors individually and provided details of the nominees proposed in the AGM invitation letter. The details of each nominee proposed for the election of the directors consisted of director's name and surname, current position, type of director to be elected, nomination criteria and procedure, family relationship (to the Company's management or major shareholders), date appointed as director, period of directorship, number of board or committee meetings attended during the year (if applicable), age, nationality, educational background, director training programs attended, working experience, and number of companies in which they hold director or executive office in other organizations categorized as companies listed and non-listed in the Stock Exchange of Thailand, and companies which

may have any conflicts of interests to the Company and number of the Company's shares holding by the director.

- 1.10 The Company clearly determined shareholder meeting agendas on individual matters, e.g. in the agenda relating to directors, the Company divided the matter on director election and that on consideration for approval of remunerations of directors into separate agendas.
- 1.11 In case several matters were proposed for consideration to the shareholder meeting in the same agenda, which had no related legal effect, the Company would require resolution made on each matter, for example, in respect of the director election agenda, the Company gave shareholders opportunity to vote for election of directors on individual basis by nominating one individual at a time for election as director by shareholders to give shareholders opportunity to elect directors of their real choices.
- 1.12 The Company facilitated all groups of shareholders, both natural persons and institutions, to exercise their rights to participate and cast their votes in meetings at no cost and without complicated procedures, and refrained from committing any act which limited shareholders' meeting attendance, provided spots where list of shareholders and number of shares held by them could be examined by their categories, which helped facilitating and expediting the registration on the meeting date.
- 1.13 In all shareholder meetings, including the 2016 AGM, the Company provided a channel for shareholders to send questions to the Company 7 days in advance of the meeting date through the e-mail address: ir_office@truecorp.co.th or via registered mail to the Investor Relations Department, True Corporation Public Company Limited, 18th Floor, True Tower, No. 18, Ratchadapisek Road, Huai Khwang, Bangkok 10310, 15 days in advance of the shareholder meeting. The Company publicized the matter for information of shareholders through the Company's website and in the letter of invitation to the meeting delivered to all shareholders eligible to attend the shareholder meeting.

2. Procedures on the shareholder meeting date

- 2.1 The chairman of the meeting ensures there is appropriate time set aside for discussion and encourages shareholders to express their opinions and ask questions related to the Company's operations.
- 2.2 Technology has been used during the shareholders meeting registration, vote counting and vote result announcement so the meeting is done promptly and accurately.
- 2.3 For the sake of transparency and historical record, the Company encourages the use of voting cards for every agenda that need to be voted. The Company also arranges an independent law office to verify the vote counting where the name of the independent law office and its representatives are introduced to shareholders before starting the agenda session. The voting cards will be kept as evidence if there is any dispute over the results after the meeting.

3. Preparation of minutes of the meeting and disclosure of shareholder meeting resolutions

- 3.1 The Company notified the Stock Exchange of Thailand of the 2016 AGM's resolutions specifying the number of approving, objecting and abstaining votes in each agenda item on the date the meetings were organized and posted on the Company's website on the next business day to provide shareholders and investors a chance to review the AGM's resolutions in a timely manner.
- 3.2 The Company also recorded details the following matters in the minutes of the shareholder meetings: (1) Voting and vote counting method, which was explained by the Secretary of the Meeting prior to convening the meeting in accordance with the agendas, (2) votes of shareholders, by clearly specifying either voting

for, against or abstaining, and the number and proportion of votes in each agenda, (3) names and positions of directors, senior executives, auditors, legal advisor and vote counting supervisor participated in the meeting, (4) summarized essence of inquiries, comments and recommendations of shareholders including explanations of directors and executives in response to inquiries of shareholders in each agenda for information of shareholders who did not participate in the meetings.

4. There was no cross holding in the Company Group.
5. The Company distributed shareholding of minor shareholders in accordance with requirements of SET, i.e. as at 15 March 2016, which was the shareholder register closing date to determine the rights to attend the 2016 AGM, the Company had minor shareholders' shareholding proportion (free float) of 30.42%, institution investors' shareholding proportion of 7.97% and the shareholding proportion of the Board of Directors including related parties of 0.14%.

SECTION 2 EQUITABLE TREATMENT OF SHAREHOLDERS

1. The Company has only one class of shares, i.e. ordinary shares, with equitable voting right, i.e. one share per one vote.
2. Provision of information prior to shareholder meetings
 - 2.1 When the meeting of the Board of Directors resolved to approve the organization of the 2016 AGM, the Company notified the Stock Exchange of Thailand of significant resolutions of the Board regarding the meeting schedule together with the meeting agendas as well as comments of the Board within the same day as the Board of Directors meeting date, and publicized the information on the Company's website on the next working day. Such disclosure was made 67 days in advance of the shareholder meeting date.
 - 2.2 The Company prepares letter of invitation to the meeting together with relevant documents in the Thai language for Thai shareholders and in the English language for foreign shareholders and delivered to all shareholders at the same time in advance of every meeting date. As for the 2016 AGM, the Company delivered the letters of invitation to the meetings together with relevant documents to shareholders 16 days in advance of the meeting.
 - 2.3 The Company publicized the letters of invitation to the meetings and relevant documents, both in the Thai and the English languages, on the Company's website at the same time in advance of all meeting dates. As for the 2016 AGM, the Company publicized the letter of invitation to the meeting and relevant documents on the Company's website 24 days in advance of the meeting date to provide shareholders with sufficient time to study the meeting supporting information before receiving the information in hard copy format from the Company, and also publicized the information via electronic means of SET for information of shareholders.
 - 2.4 Prior to the AGM's agenda session, the secretary of the meeting will notify shareholders regarding meeting rules, type of shares, voting rights, voting method, vote counting and vote result announcement. This process has regularly been done in the past years.
3. Protection of rights of minor shareholders
 - 3.1 The Company allows shareholders who cannot attend meetings to cast a proxy vote, without any conditions that will make it difficult for shareholders to appoint their proxy. Moreover, the Company allows

shareholders to submit their proxy form to the Company Secretary and Securities Department in advance of the meeting date for verification to save the shareholders' time on the meeting date.

- 3.2 The Company encourages the use of proxy forms on which shareholders can specify their voting preferences. The proxy forms are attached together with the invitation letter to the shareholder meeting. The Company provides options for shareholders to appoint 2 independent directors as their proxy (with their background information provided).
- 3.3 Under the agenda on election of directors in shareholder meeting, the Company would nominate candidates one by one for shareholders to consider and allow shareholders to exercise the right to elect directors individually.
- 3.4 The Company placed much emphasis on protection of the rights of minor shareholders. One of the practices the Company always adhered to was to request shareholders who were executives of the Company to refrain from adding meeting agenda not proposed in advance in all cases. Should there be any necessary additional agenda, it would be requested that a new shareholder meeting be held for such agenda to enable other shareholders to have sufficient time to study the information before making decision.
- 3.5 The Company provided opportunities and clearly prescribed rules to enable minor shareholders to propose matters to be included as meeting agendas and to nominate individuals for election as directors at least 3 months in advance of an AGM. Such practice has been adopted regularly every year up to present, and shareholders could submit information in accordance with such rules and in such format as prescribed and publicized by the Company on its website.

At the 2016 AGM, proposed issues were sent via registered mail to the Company from 1 October 2015 to 31 December 2015. The Company posted the above proposals on its website and through the SET's electronic system. Nevertheless, shareholders did not propose any issues or nominations for directors.

4. Prevention of the use of inside information

The Company monitored the use of inside information by including it in the good corporate governance policy and code of conducts, as well as the use of applicable laws to monitor and prevent the personal use of confidential Company information by management and related persons. Material information which has not yet been disclosed is kept confidential, apart from disclosure to the relevant senior management of the Company. Directors and senior management must report purchases, sales, transfers and assignments of securities issued by the Company to the Securities and Exchange Commission (SEC) within three working days of the transaction's execution, and provide a copy of this report to the Company for its records and incorporation in its regular report to the Board of Directors. In 2016, there was no case where Board members or executives take advantages of using inside information for trading securities issued by the Company and violating this practice.

For the Company's supervision concerning the use of inside information regarding the prohibition of insider trading before public disclosure of the Company's financial results, the Company has policy to the directors, executives and officers, who may access into information relating to financial statements including their spouse and minors, not to trade the Company's securities in the period of 1 month prior to the public disclosure of financial statements and 1 business day after such disclosure.

The Company disclosed information on the number of shares of the Company held by each director and executive, separating into number of shares held personally and those held by their spouses. The number brought forward as at the end of 2015, the number acquired and disposed of during 2016 and the balance as at the end of 2016 were presented in the Report 56-1 and the 2016 Annual Report as well.

5. Conflicts of interests by directors

The Board of Directors formally prescribed “The Criteria and Procedures for Reporting the Interests of Directors and Executives”, with which all directors and executives properly complied.

In addition, in a Board of Directors meeting, any director with material interest which could prevent the director from commenting freely would refrain from participating in the consideration of that agenda and that would be recorded in the minutes of the Board of Directors meeting.

6. Throughout the past and including 2016, the Company has never conduct transactions which provided financial assistance to companies which were not subsidiaries of the Company.
7. The Company adopted measures and steps for granting approvals of related party transactions as prescribed by law and in accordance with standards prescribed in the requirements of the Capital Market Supervisory Board and SET by implementing the “Rules of Entering into Related Party Transactions”, which were approved by the Board of Directors. For related party transactions which required approval from shareholder meeting prior thereto, the Company would disclose information on such transactions in the letter of invitation to the meeting, e.g. names and relationships of related parties, nature of the transactions, the transaction pricing and valuation policy, reasons for making such transactions including opinions of the Board of Directors and the independent financial advisor on such transactions, etc., and deliver the letter of invitation to the meeting within such time as fixed, and properly and completely fulfilled all relevant obligations in accordance with requirements of the Capital Market Supervisory Board and SET. Throughout the past up to present, the Company has always been strictly complying with laws, requirements as well as regulations on related party transactions and have never done any related party transaction by violating or not complying with laws and rules for related party transactions as well as relevant requirements.

In 2016 the Company had no related party transaction which required prior approval from the shareholder meeting.

As for other types of related transactions, the Company did them fairly with prices and conditions in accordance with the normal course of trade (fair and at arms' length).

No related person of the Company in the shareholding structure of the Company Group held shares in any subsidiary and associated company exceeding 10 percent of the issued and paid-up shares thereof.

The Company disclosed the details of related transactions of all types made during 2016 in the annual report and Report 56-1 under the heading “Connected Transactions”.

8. The Company strictly complied with laws and requirements of the Capital Market Supervisory Board and SET relating to transactions on acquisition or disposal of assets. In case of transactions on acquisition or disposal of assets approved by shareholder meeting, the Company would disclose details thereof in the annual report and the 56-1 Form of that year. Up to present the Company has never entered into any transaction on acquisition or disposal of assets by violating or failing to comply with relevant laws and requirements.

Until now, the Company had no transaction on acquisition and disposal of assets which required compliance with notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand.

SECTION 3 ROLE OF STAKEHOLDERS

1. Prescription of policy on treatment of stakeholders and compliance with the policy

- 1.1 The Board of Directors recognizes the importance of acknowledging the rights of all stakeholders and their ability to positively influence the Company's conduct and activities, and vice versa. Accordingly, in the Year 2016, the Company has revised a "Code of Conduct" covering employees and stakeholders which includes:

Employees

- >> The right to privacy and the right to be protected from any violation of that privacy
- >> The right to receive fair and equal treatment
- >> The right to fair and equal employment such as the right to take leave and to receive fringe benefits, and the opportunity to be promoted, to transfer to other work units, and to receive performance assessments

Customers

- >> The right to receive fair and equal treatment
- >> The right to receive full and efficient service with politeness from the Company's employees including the right to receive accurate and complete information
- >> The right to receive quality goods and highly efficient service
- >> The right to protection of privacy and confidential information

Suppliers and dealers (business partners)

- >> The right to receive fair and equal treatment
- >> The right to protection of confidential information
- >> The right to be treated honestly and reliably
- >> The right to information about the duty to operate in line with the Company's cultures and business ethics as well as relevant laws, regulations and policies
- >> The right to fair competition
- >> The right to be treated under procedure and practice in selecting suppliers as well as anti-corruption measures. The Company also encourage all employees to follow such rules and regulations.

Competitors

- >> The right to receive fair and accurate comparisons of products and services without defaming competitors or their products and services
- >> Not to engage in industrial espionage, sabotage or bribery with regard to competitors or potential competitors
- >> The right to receive fair and equal treatment, to not give preference to any competitor over another in terms of quality and testing as well as installing and maintaining the regulated common carrier services.

Creditors

- >> The right to be treated in accordance with terms and conditions of all agreements under relevant law and regulations

- >> The right to receive correct and complete financial information in an equally timely basis
- >> The right to receive payments owing, as well as safeguarding all guaranteed assets given as security

Investors

- >> The right to receive fair and equal treatment
- >> The right to be treated with the best intentions of the management to operate the business with their best knowledge, skills, and honesty
- >> The right to be protected from the use of insider information for pursuing private interests
- >> The right to be informed in an equally timely basis of all accurate, complete and transparent financial and non-financial data as required by the Stock Exchange of Thailand

Government agencies

- >> The right to regulate, monitor and punish according to laws and regulations and the government agency's standard practice.

1.2 The Company has focused on safety and occupational health at work by putting in place its "Safety, Occupational Health and Work Environment Policy" and also announced its "True Employee's Health Promotion Policy" providing management of safety, occupational health and the work environment as well as promoting employee's health as follows:

- 1) Providing management structure of Safety, Occupational Health and Work Environment Policy consist of a) Board of Safety, Occupational Health and Work Environment Policy, b) Safety, Occupational Health and Work Environment Policy Department, c) Executive Safety Authorities, d) Chief Technical Staff and Chief High Technical Staff, and e) Professional Safety Staff responsible for safety compliance with the laws and the Company's policy.
- 2) Providing procedures and operational instructions relating to safety, occupational health and the work environment in the Company's Procedure Manual System (PMS). For example, the procedure for safety assessment, safety in working at heights, electrical safety, safe working in confined space and underground cable manhole and emergency evacuation drills, etc.
- 3) Providing safety instructions (in an e-Book format) for office workers and technicians so they can easily access, study, understand the instructions and put them into practice.
- 4) Establishing safety rules and regulations for the Company's employees and contractors.
- 5) Establishing preventive plans and evacuation plans in case of an emergency at each of the Company's offices and also providing employees with the relevant instructions videos and manuals.
- 6) Providing safety training courses, e.g. working at heights, working in underground cable manholes and basic first-aid rescue, for employees and contractors of the Company. Employees and/or staffs who pass the safety training courses shall receive individual Safety Passport as confirmation evidence for the passing of safety training courses. Employees and/or staffs can show such Safety Passport with the controller of the Company for the random investigation. The Company also send employees and/or staffs to the training course related to climbing and working on the electric poles arranged by Metropolitan Electricity Authority and Provincial Electricity Authority.

- 7) The Company has initiated the Safety Control Management System to use with contractor and subcontractor through purchasing contracts (Contractor & Subcontractor Risk Control) provided that the Contractor shall inform its own information of number, name, and division together with such information of Subcontractor. The Contractor shall also specify its safety training, working equipment, and individual safety control equipment involved with construction, installation, servicing, and editing of works such as telephone network and automatic fire protection system work. The Safety Control Management System shall be use to control the safety management for the contractor in order to make sure that the contractor had follow the rules & regulations and the internal conditions stated by the Company. The Company shall be able to make the safety control of the contractor more systematic.
- 8) Launching various health promotion campaigns for employees, both in Bangkok and other provinces, to promote and urge sports groups of the Company to organize activities for employees to participate in more exercises, including mental care, by allowing employees to study and have mental care for 5 days per year without treating it as a leave. Besides the exercise activities promoted to our employees, the company provides a new fitness facility at the 7th Floor, TRUE Tower II.
- 9) Monitoring and measuring, in random, air quality in offices where plenty of employees are working, i.e. the Head Office, office buildings where telephone operators are performing, main telephone exchange office buildings and TRUE Shops (parameters measured include carbon dioxide, carbon monoxide, fungus, yeast, mold, bacteria formaldehyde, dust particles affected respiratory, temperature, moisture etc.).
- 10) During the outbreak of the Severe Acute Respiratory Syndrome (SARS), the Company arranged to have its establishments fumigated to prevent them from being contagious places, not only provided flu preventive vaccines at special price for employees but also hepatitis A-B vaccine, Invasive Pneumococcal Disease vaccine(IPD), Human Papillomavirus vaccine(HPV16-18) by quarterly. In the year 2016, the Company has provided vaccination to prevent 4 types of influenza to the group of call center operators for the total of 1,540 persons with no expenses.

However, despite the Company's having safety, occupational health and the work environment management, in some cases accidents occurred from work performance. Statistics of work-related accidents during 2015 and 2016 were as follows.

YEAR	ACCIDENT STATISTICS	LEAVE STATISTICS	LOSS WORKING DAY STATISTIC	IFR ^{1/}	ISR ^{2/}
2015	1	-	3	0.20	0.61
2016	1	-	5	0.21	1.03

Remarks: ^{1/}IFR: Injury Frequency Rate =
$$\frac{\text{number of employees suffered from accidents} \times 1,000,000 \text{ hours}}{\text{total number of employees} \times \text{number of working hours (whole year)}}$$

^{2/}ISR: Injury Severity Rate =
$$\frac{\text{number of days of treatment} \times 1,000,000 \text{ hours}}{\text{total number of employees} \times \text{number of working hours (whole year)}}$$

Total number of employees in 2015 and 2016 were 2,374 and employees 2,326, respectively.

- 1.3 Employee remuneration in both short-term and long-term is considered in accordance with the Company's business operation results. Balanced Scorecard (BSC) is a management tool to drive the Company's strategy into action while key performance indicators (KPI) are used as a guideline to evaluate employees' performance.
- 1.4 The Company disclosed procedures on remuneration and welfare of employees in details under the heading "Personnel" in the annual report and Report 56-1.
- 1.5 The Company has established a provident fund for employees.
- 1.6 The Company emphasizes on developing and improving the human resources management and development system to advance in line with technology and meet international standards to enhance and develop employees to be both good and skillful people with involvement in social development and support. As a whole, the Company encourages both internal and external educations to enable employees to develop on a continuous basis. The Company has opened a new training center at True Tower 2 on Pattanakarn Road, that has been designed to provide an ideal learning atmosphere. The new center also features modern systems for displaying information of company developments and for training registrations. Moreover, a stimulator has been installed to aid in job training so that the employees will have the proper skills to succeed in their tasks. Moreover, the Company established a VDO conference long-distance learning platform for employees who work outside Bangkok; a self-E-learning system; and True-iBook, an electronic journal system in order to add more learning channels to facilitate their sustainable and continual career development. There are about 327 training courses organized within the Company per year. In 2016, there were a total of 37,027 training mandays with total budget of Baht 73.2 million. The Company disclosed information on personnel training and development in the annual report and Report 56-1 under the heading "Personnel".
- 1.7 The Company had a policy and procedures on fair selection of vendors and responsibility to vendors, i.e. the Company had a process in placing order for goods and services between the company and providers of goods and services, using electronic system which was convenient to examine in various aspects, e.g. budgets, approval authority and other information on the purchasing process, with the help of the Internet in placing orders for goods and services, to enable purchasers to select goods and services personally from Online Catalog in a self-service manner, and could specify their purchase by themselves (Online Purchasing). The Company had a process to select goods and services providers on a fair basis with appropriate price comparison in accordance with policies of individual companies in the Group, under good supervision measure to ensure transparency, fair and equal benefits of all parties concerned, as well as availability of examinable system.
- 1.8 The Company has declared its intention to be a part of the "Private Sector Collective Action Coalition Against Corruption Council" (CAC) with determination to strictly comply with the laws of Thailand in relation to countering corruption. The **"Anti-Corruption Policy and Measure"** is therefore implemented and prepared in writing to be a clear code for business conduct, leading to sustainable development of the organization and the country.

The Anti-Corruption Policy and Measure was approved by the Board of Directors of the Company and declared by CEO to effect throughout the organization and all subsidiaries ("True Group Company") including all directors, executives, and employees.

1.9 The Company has set procedure to assess risk from corruption and has disclosed on the Company's website. Details are as follows;

- (1) The Company has carried out risk assessment of business transactions that may have processes or procedures which may fall within the scope of corruption. The Risk Management Committee has assessed and reviewed the Company's risk of corruption involvement annually.
- (2) The Company has implemented risk management policy in order to mitigate the risk of corruption involvement by identifying activities and highlights situations that are highly susceptible to corruption that may occur from business operations. The Company has estimated the corruption risks that may occur and the corresponding potential impacts as well as regularly monitor and review the risk management measures to ensure its effectiveness in countering the corruption. Such risk management policy shall be continually reviewed in order for the Company to have an appropriate and effective risk management measures to manage the corruption risks to be at an acceptable level.

1.10 The Company has set guideline regarding supervision and control to prevent and monitor risk from corruption and disclosed on the Company's website, details are as follows;

- (1) The Company has provided an assessment procedure and an internal control system to prevent corruption, to ensure that the prescribed risk management policy has achieved its goals and effectively prevent corruption and to monitor and ensure that the Company's internal operations are in compliance with applicable rules and regulations. Such assessment procedure and internal control system shall apply to all sectors of the Company, including sales and retail, marketing, procurement, human resources management, finance, accounting, data collection, operation, as well as other sectors of the Company, which related to the Anti-Corruption Policy and Measure.
- (2) The Company has ensured that the assessment by the internal audit team be conducted regularly and annually.
- (3) The Finance Department of the Company is responsible for the examination of the accounting item and disbursement payment processes, by appointing authorized persons and specified certain amount which can be approved by such person. Disbursement must be supported by clear evidences to avoid any misconduct.
- (4) In case any accounting item lacks clear supporting evidences, or there is a doubt that this Anti-Corruption Policy and Measure may be violated, the Finance Department of the Company shall report to the Audit Committee.

1.11 The Company has set the guideline for monitoring the implementation of Anti-Corruption Policy and Measure, details are as follows:

- (1) The Company has reviewed the Anti-Corruption Policy and Measure annually and examines the compliance of the policy regularly.
- (2) The Company has ensured that the internal control system and procedures are reviewed regularly, and report issues found immediately to ensure that the internal control system efficiently counter corruption.

The result of the examination shall be discussed among relevant parties in order to find appropriate solutions to solve the issues and shall be reported to senior executives and the Audit Committee for information.

1.12 The Company has set the guideline for training the Anti-Corruption Policy and Measure for employees. The training Center and Development is assigned to design and develop the appropriate training course for staff in each level to educate knowledge on the policy and practice. In the Year 2016, there were 2,326 employees participated in such training course.

1.13 The Company has provided channel for reporting suspicious behavior or making complaints of any illegal acts or any act that may indicate corruption or misconduct of the personals of the Company, including employees and other stakeholders, which was posted on the Company's website, www.truecorp.co.th.

Any report of suspicious behavior or complaint about corruption or misconduct may be reported through the following channels:

(1) Audit Committee

E-mail address: auditcommittee@truecorp.co.th or a sealed letter addressed to the Chairman of the Audit Committee or to the Audit Committee directly at the address below:

The Chairman of the Audit Committee
18 True Tower Building, Ratchadaphisak Road
Huai Khwang, Bangkok 10310

or

(2) Chief Executive Officer and Managing Director

By sending a sealed letter addressed to the Chief Executive Officer and Managing Director directly at the following address:

Chief Executive Officer and Managing Director
18 True Tower Building, Ratchadaphisak Road
Huai Khwang, Bangkok 10310

or

(3) Human Resources Department

E-mail address: Sarinra_Won@truecorp.co.th

or

(4) Fraud & Cyber-Crime Department

E-mail address: Nopadol_Som@truecorp.co.th

1.14 The Company provided channels for any stakeholder to make complaints or provide information concerning fraud, wrongdoing or violations of the Company's Code of Conduct to the Board of Directors via the Audit Committee. The information about the said channels are on the Company's website www.truecorp.co.th, the details are as follows;

Stakeholders can, in confidentiality, make complaints or provide information concerning fraud, wrongdoing or violations of the Company's Codes of Conduct to the Company's Board of Directors via the Audit Committee through the following channels;

- >> Email: auditcommittee@truecorp.co.th
- >> Mail address

Audit Committee
True Corporation Public Company Limited
18 True Tower, 28th floor
Ratchadapisek road, Huai Khwang
Bangkok 10310

The Company Secretary, in the capacity of Secretary of the Audit Committee, will be responsible for gathering the issues and forwarding them to the Audit Committee for its consideration and further action. The Audit Committee will summarize results of any investigation and report to the Board of Directors every quarter.

Conditions for processing complaints and information:

- >> Anonymous letters are not accepted
- >> Stakeholders who submit complaints or information must provide their full names. The Company will keep their personal information confidential. Only officers or persons authorized by the Audit Committee can access the information.
- >> Irrelevant issues such as the following shall not be processed by the Audit Committee:
 - Job inquires
 - Surveys and other requests for information about the Company
 - Offers or advertisements of goods and services
 - Requests for donation and sponsorship

In 2016, The Audit Committee did not receive any complaint or information concerning fraud or wrongdoing. But there was 9 problems regarding the Company's services which the Audit Committee had already submitted to the relevant Departments where appropriated actions were taken and all issues were already solved.

1.15 The Company emphasized on the matter of the environments and promoted implantation of consciousness of employees and extending to the general public and organized training courses to educate employees and the general public on the environment through the natural conservation photograph contest which provided employees and the general public with opportunity to participate in the activity on natural photography

training course and submit their photographs to the contest. Said natural photography training for employees and the general public would create the feeling of love and care for nature and the environment conservation consciousness, persuasion of interest in nature with close perception and transmitting those beauties through beautiful photographs with common feeling to protect their continued existence. In this regard, the Company, jointly with the Department of National Parks, Wildlife and Plant Conservation, has been organizing the project on natural conservation photograph contest “Animals are valuable, forests are useful” regularly every year since 1995 up to present, which is the 20th year. Competent persons and experts on environmental conservation are invited to provide know-how on the environment aspect to instill in Thai citizens a feeling of joint owners and create cooperation in rehabilitating and increasing the number of wildlife, which shall help maintaining the natural balance existence.

- 1.16 The Company group by True Lab which is the cooperation for research development and innovation between True by True Innovation and leading education institutions organized the “Popcorn by True Lab” Project. The Project is the contest of business inventions to encourage all students, undergraduates to participate in creating business inventions which are beneficial to social and private sectors. Top 10 winners will be awarded with fund and training by entrepreneur whose businesses are successful.

True’s innovation center signed the cooperative agreement in True Lab Project with 8 leading universities to provide area which is favorable for studying and research and innovation development to meet the demand from business sector nowadays, to share the knowledge between academic institution and business sector and to be the community for lecturer, researcher, university students and personnel at this area of which contained with laboratory, seminar room, and meeting room including recreation area.

Moreover, the Company has been organizing the “True Innovative Award for True” Project regularly on yearly basis up to present. The Project is the contest of inventions within the Company to encourage all employees at all levels to participate in creating inventions which are beneficial to the organization and the society as a whole, by encouraging employees to recognize the importance and benefits of inventions and the application thereof in work units to create continuous developments to educate participating employees on inventions on integral basis and enable them to materialize and effectuate the inventions and creativities to solve problems for customers, develop goods, services and processes beneficial to the organization, customers and the society, for example, enhanced customer satisfaction, revenue increase, process improvement, value adding, creation, etc. The Project has been expanded to the area where the Company’s offices is located including north, central, south and northeast region. This is to urge and encourage the creativity and creating inventions of employees located in the country area.

Apart from organizing internal innovation contest, the Company also has a determination to help creating innovative inspiration amongst Thais. The Company, therefore, organizes the “True Innovation Awards” contest which is held annually since the year 2010. It allows Thai inventors to present their ideas and develop innovative works to benefit society and country as a whole as well as an opportunity to leverage Thais’ potential to meet with international standards.

The Company emphasis on the building of innovation and new technology. In the Year 2016, the Company sponsored Project “ABU Robocon 2016” hosted by Thailand and held more than

14 times since B.E. 2545. There were teams from 16-19 countries. Moreover the Company sponsored team from Thailand in undergraduate and vocational education to further performance for next stages.

1.17 The Company places emphasis on intellectual properties by preparing publications for posting through website www.trueinnovationcenter.com to educate employees to comprehend the meaning of intellectual property, encourage employees to recognize and respect the value thereof, and not to infringe any intellectual property against the owner thereof, both in term of copyright and industrial property, whether being patent, trademark, trade secret, trade name etc. In respect of intellectual properties owned by the Company, the Company clearly prescribed guidelines, in writing, for employees to follow in “Ethics and work performance guidelines”, whereby employees are required to protect the Company’s intellectual properties, refrain from disclosing them without permission, and not to misuse them or use them illegally. Moreover, the Company trained and assisted innovators for registering their rights on Intellectual Property

2. Preparation of report on corporate social responsibility

The Board of Directors has approved a Corporate Social Responsibility (CSR) policy which follows the Global Reporting Initiative and Asean CG Scorecard which is available on the Company’s website in English and Thai, separately from Annual Report. In addition, the Company operates its business with transparency under the good corporate governance and CSR policy by considering the importance of social and environment. The Company places emphasis on using the Company’s technology and communication innovation to support and develop Thai’s quality of life with equal opportunity both in educational and basic public health together with the reduction of social exceptionally sequins.

The Company disclosed the information as well as activities in connection with corporate social responsibility in the annual report and Report 56-1 under the heading “Corporate Social Responsibility”.

SECTION 4 DISCLOSURE AND TRANSPARENCY

1. Information disclosure

1.1 The Company was able to submit both the quarterly and annual financial reports for 2016 within the schedule determined by the SEC and SET. The Company emphasized on preparing financial statement properly in accordance with generally accepted accounting standards, using appropriate accounting policies applied on a consistent basis. The Company was very rigorous in submitting financial statements and financial report within the schedule prescribed by law. The Company’s financial statements were certified with unqualified opinions by the auditor and have never been ordered by the SEC to make any correction thereto and have never been submitted late.

1.2 The Company prepared Management’s Discussion and Analysis by giving analytical explanations on financial position and operation results of the Company and forwarded them to the SEC and SET together with all quarterly financial statements and publicized them on the Company’s website as information supporting disclosure of all quarterly financial statements to enable investors to be aware of and comprehend the changes to the financial position and operation results of the Company in each quarter better.

- 1.3 The Company provides summaries of the Corporate Governance Policy and the Corporate Social Responsibility Policy approved by its Board and reports on both practices through various channels such as its annual report and website.
- 1.4 The Company provides a statement of the Board's responsibilities concerning the Company's financial report. This statement is presented in the Company's annual report.
- 1.5 Auditors of the Company were those approved by the SEC and appointed by AGM. The Company disclosed information on payment of audit fee to auditors for 2016 in the annual report and Report 56-1, by clearly separating the remuneration into audit fee and non-audit fee.
- 1.6 The Company discloses the roles and responsibilities of the Board of Directors and its committees, the total number of meetings and the number of meetings each member attends, the results of tasks performed as well as any ongoing training courses and occupation knowledge development programs each member attends during the year in the annual report, according to the SET and the SEC regulations.
- 1.7 The Company disclosed the backgrounds of all directors in the annual report, Report 56-1 and on the Company's website by specifying their names-surnames, ages, positions, educational backgrounds, training, working experiences, number of shares in the Company and proportion of shareholding, holding of director office in any other company, clearly separating into the heading of listed company and other companies, date appointed as director, as well as family relationships among executives.
- 1.8 Remunerations of directors of the Company reflected the obligations and responsibilities of each director. The Company paid directors their remunerations in 2016 at such rates as approved by the 2016 AGM, which were the same rates as approved by the 2015 AGM, which have remained unchanged since 2002. Details are as follows.

Remuneration of Directors is paid on a monthly basis as follows:

Chairman	Baht	300,000	per month
Honorary Chairman	Baht	200,000	per month
Vice Chairman	Baht	150,000	per month
Director	Baht	100,000	per month

Any Director being an employee of the Company shall receive the Director's remuneration in addition to his or her salary as an employee.

Independent Directors who hold a position on a Committee shall receive remuneration as follows:

Independent Directors who are also the Chairman of a Committee	Baht 300,000 per month
Independent Directors who are also member of a Committee	Baht 200,000 per month

Remuneration of Independent Directors who are not members of a Committee, and directors who are not Independent Directors shall remain the same.

In this regard, the Company disclosed the amount and type of remuneration received by each director from the Company and subsidiaries individually in the annual report and Report 56-1 under the "Management Structure" and publicized them on the Company's website.

1.9 In 2016, the Company paid high-level executives their remunerations in accordance with the Company's policy to pay remuneration by reflecting the obligations and responsibilities of each high-level executive and at suitable rates by comparing with the same type of business, and disclosed the details of remuneration payment in respects of format, nature and amount of remunerations in the annual report and Report 56-1.

1.10 The Company established a policy requiring directors and senior executives to submit copy of report on holding of securities of the Company, both in case of initial report (Form 59-1) and in case of changes to the holding of securities (Form 59-2) to the Company within the same period when the directors and senior executives delivered it to the SEC Office for retention by the Company as evidence and report to the Board of Directors meetings on a regular basis.

Moreover, the Company disclosed changes to the holding of securities of the Company by directors and high-level executives by illustrating in the annual report the number of shares held at the beginning of the year, changes during the year and the number of shares held at the end of the year.

1.11 The Company has an Investor Relations Department to communicate with outsiders on an equitable and fair basis. Investors may contact the Investor Relations Department via telephone number 0-2699-2515 or e-mail address: ir_office@truecorp.co.th. The Company advised general investors of the contact channel via the Company's website, annual report and Report 56-1 for all individual investors. For the year 2016, the Investor Relations Department prepared press release on the Company's financial performance as well as held analyst and investor meetings following the release of the Company's quarterly results at the Company's headquarters. For analysts and investors who cannot attend the meeting in person, a Webcast is provided. The Company also provided information related to the Company while organizing meetings with analysts as well as local and international investors, including holding roadshows, and provided equal opportunities for investors, both institutional and retail, to call the Company for additional information/discussion on the Company's outlook and strategies.

2. Information disclosed on the Company's website

The Company publicized financial and non-financial information as required by SET accurately, completely, timely and transparently, both in the Thai and the English versions, via various channels, i.e. SET's channel, annual report, Report 56-1 and on the Company's website. The Company also publicized on the Company's website significant documents and prepared other details which were anticipated to be of interest to investors and analyzers, e.g. long term objective and target, visions and obligations, business operation nature, Company Group structure, top 10 shareholders, list and authorities of the Board of Directors and subcommittees, organizational structure, financial statements and financial information at least 3 years retroactively for comparison purpose, annual report, Report 56-1, letter of invitation to meeting together with documents relating to shareholder meetings, Articles of Association and Memorandum of Association, Corporate Governance Policy, the Company's newsletters etc., periodically updated. Documents and information of all types were publicized on the website both in the Thai and the English versions to enable investors and analyzers to access thereto conveniently and equitably and to download information of their interest. The Company also gave on its website telephone number, facsimile number and e-mail address for contact with the Investor Relations Department.

SECTION 5 RESPONSIBILITIES OF THE BOARD

1. Structure of the Board of Directors

- 1.1 As at 31 December 2016 the Board of Directors comprised 18 qualified and knowledgeable members with wide experiences and specialties beneficial to the Company. The number of directors was appropriate and adequate to the size and type of the Company's business with non-executive directors having experiences in major business being operated by the Company. The structure of the Board of Directors comprised: (1) 4 Executive Directors and (2) 14 Non-Executive Directors, of which 6 directors were independent directors or 1/3 of the total number of directors, which was in accordance with requirements of the Capital Market Supervisory Board, and 8 qualified directors not involved in routine work administration including representatives of major shareholders, in accordance with fair proportions of investments of each group of shareholders.

The Company disclosed the structure of the Board of Directors, authorities, nomination rules, significant information of each director, e.g. name-surname, position, date appointed to the director's office, as well as background of each director in the annual report, Report 56-1 as well as on the Company's website at www.truecorp.co.th.

- 1.2 The Company clearly fixed the term of office of directors by specifying in the Corporate Governance Policy and Articles of Association in accordance with law.

The same rules in respect of the term of office of directors apply to the term of office of independent directors.

- 1.3 The Company has specified the details of Independent Directors' qualifications in its annual report and Report 56-1. Mr. Joti Bhokavanij who serves as the Independent Director and Audit Committee member has an accounting and finance background. The Company revised the qualifications of Independent Directors by using a more rigorous definition than that defined by the Capital Market Supervisory Board in area of shareholding percentage i.e. an Independent Director of the Company must have no more than 0.75 percent share ownership in the Company, its parent company, subsidiary, affiliate, principal shareholder or controlling person of the Company, including the shares held by related persons of the Independent Director.

- 1.4 The Company details the background and position of each member of the Board in its Annual Report and Report 56-1. Shareholders can download this information from the SET website at www.set.or.th or from the Company website at www.truecorp.co.th.

- 1.5 None of the Company's directors or executives is or was an employee or partner of the external auditing company providing services to True Group for the past two years.

- 1.6 The Company established policy regarding the number of companies each director, including independent directors and the President, could hold office therein, by specifying it in the Corporate Governance Policy of the Company disclosed on the Company's website, i.e. directors could hold office in other companies, but such directorship must not be obstructive against their performance as directors of the Company.

As regards the number of companies in which each director could hold office of director, the Board of Directors encouraged directors to consider limiting to not exceeding 5 listed companies. There has been no independent director holding office of director in more than 5 other listed companies.

- 1.7 The Chairman of the Board is a non-executive director and the CEO is not the same person as the Chairman. The roles and responsibilities of the Chairman are in accordance with the law. The roles and responsibilities of the CEO are determined by the Board of Directors and the authority and responsibilities of the Chairman and the CEO are disclosed under “Management structure” in the annual report and Report 56-1 which is also posted on the Company’s website.
- 1.8 The Company’s Internal Audit Department reports directly to, and is accountable to, the Audit Committee.

The Company has disclosed the name and profile of the head of Internal Audit Department in the annual report and Report 56-1 which is also posted on the Company’s website.

- 1.9 The function of Company Secretary is in place to serve the Board of Directors in area of providing advice on laws and regulations related to the Board, helping organize the Board’s activities, and monitoring compliance with the Board’s resolutions. The Company Secretary is knowledgeable and experienced in accounting and continuously attends training courses as well as participating in any company secretary-related training courses.

The Company has disclosed company secretary’s job description, working experience and related training courses attended in the annual report and Report 56-1 which is also posted on the Company’s website.

2. Committees

- 2.1 The Board of Directors has established the following committees to reflect good corporate governance:

The Audit Committee

is responsible for reviewing the Company’s financial reporting process, reviewing the Company’s internal control system and internal audit system, reviewing the Company’s compliance with the law and regulation on securities and exchange including the laws relating to the Company’s business and the Anti-Corruption Policy and Measure and determining an internal audit unit’s independence, considering and proposing appointment of the Company’s external auditor and reviewing the transactions that may lead to conflicts of interest. Details of the Audit Committee’s duty and responsibilities have been disclosed in Clause 2. “The Board’s Committees”.

The Compensation and Nominating Committee

is responsible for making recommendations to the Board of Directors regarding the compensation of directors and the Chief Executive Officer; and the nomination of directors of the Company.

The Finance Committee

is responsible for assisting the Board of Directors to review and monitor the Company’s financial management. To perform this role, the Finance Committee shall provide opinions and advices to the Board

of Directors regarding financial strategies, annual budget, substantial borrowing or indebtedness, securities issuance, acquisitions or disposals of material assets and material investment proposal.

The Corporate Governance Committee

is responsible for assisting the Board of Directors to establish and review the Company's corporate governance policy as well as making sure that the Company has a sound and appropriate corporate governance practice.

The Company has also specified the details of Committees which are name lists, scope of duties and numbers of meetings attendance in its annual report and Report 56-1 in Clause 2. "The Board's Committees". Shareholders and investors can download the information regarding each committee from the Company's website at www.truecorp.co.th.

- 2.2 In order for the committees can perform their duties transparently, independently, and at the same time effectively, their membership comprises independent directors, and non-executive directors.

3. Roles and Responsibilities of the Board

- 3.1 The Board of Directors considered and granted approvals on significant matters related to the Company's business operation, e.g. visions and obligations, strategies, financial targets, risks, work programs and budgets (which will be reviewed on yearly basis) including monitored the implementation thereof. Moreover, the Board also oversaw the Management to execute the works in accordance with the policies and scheduled programs efficiently and effectively clinging to self-sufficiency economic philosophy, i.e. moderation (awareness of the Company's actual capabilities), reasonability and good self-immunity, based firmly on honesty and circumspection to ensure continuation of business operation in the long term. The Company disclosed the power and duties of the Board of Directors in the annual report and Report 56-1 publicized on the Company's website.

Throughout the past up to and including 2016, the Company has never committed any act violating or breaching rules and regulations of the SEC and SET.

- 3.2 The Board sets, initiates and is involved in consideration and approval of a written corporate governance policy for the Company. In addition, the Company reviews the policy and its compliance annually.
- 3.3 The Board of Directors ensures that a written code of business conduct so called "Code of Conduct" is in place so that all directors, executives and employees understand and comply with the Company's ethical standards for doing business by earnestly monitoring compliance with the code. In the Year 2016, the Company has also revised the details of the Code of Conduct to comply with the guidelines of Corporate Governance, Corporate Social Responsibility Policy, and Anti-Corruption Policy and Measure and disclosed on its website.
- 3.4 The Board of Directors considers transactions involving conflicts of interest thoroughly. It follows clear guidelines on approving such transactions so that they are conducted in the best interests of the Company and all shareholders. The person who has an interest in the transaction does not participate in the decision-making process. The Board also monitors compliance with the regulations regarding criteria, procedures and disclosure of transactions involving conflicts of interest.

During 2016, similar to every previous year, no director and executive of the Company as well as individual related to such parties were in breach of requirements pertaining to the conflict of interest in the Company's transactions.

- 3.5 The Board of Directors ensures that internal control systems are in place, including financial, compliance and policy controls, and assigns the Audit Committee to monitor and review the major system on annual basis. The Audit Committee's opinion has disclosed in the Company's annual report under "Report from the Audit Committee" topic.
- 3.6 The Company has established its "Strategy Development and Risk Management Committee" and also officially announced "Risk Management Policy and Framework", in order to integrate risk management with its business strategy and operations. The Management complied with the policy and reported to the Audit Committee on a regular basis. The Internal Audit Department is responsible for reviewing the Company's various operational systems by using a Risk-based Audit Approach and presents its Internal Audit Report to the Audit Committee on a regular basis. The said procedure was disclosed in the Company's annual report under "Report from the Audit Committee" topic.

In addition, the Company reviews the risk assessment to be used for risk management on an annual basis, accordingly.

- 3.7 The Company signed the Declaration on "Private Sector Collective Action Coalition Against Corruption" (CAC), with the Thai Institute of Directors (IOD) acting as Secretary of the project and anti-corruption policy and measure (the **"Anti-Corruption Policy and Measure"**) is therefore implemented and prepared in writing to be a clear code for business conduct, leading to sustainable development of the organization and the country.

This Anti-Corruption Policy and Measure was approved by the resolution of the board of directors' meeting of the Company and declared by CEO that it came into effect throughout the organization and all subsidiaries ("True Group Company") including all directors, executives, and employees.

The Corporate Governance Committee have duties and responsibilities to annually review the Anti-Corruption Policy and Measure, in order to make it comply with the business change, regulations, laws, rules and related enforcement and propose to the company's board of directors for consideration and approval.

Additionally, the Company had measure and guideline for implementing, monitoring, following up and training employees, including channel for reporting suspicious behavior or making complaints of any illegal acts or any act that may indicate corruption or misconduct of the personals of the Company, including employees and other stakeholders.

- 3.8 The Board of Directors had a mechanism to supervise subsidiaries to safeguard interests in the investments of the Company. The Company disclosed such information under the Heading "Supervision of business operation of subsidiaries and associated companies".

4. Board Meetings

- 4.1 The Company sets its Board of Directors meeting schedule throughout the year beforehand and notify the Directors early in the year including set main agendas in advance. However, in an emergency the Company can also call for an additional Board meeting.

- 4.2 The Company has stated in its Corporate Governance policy that the Company allows non-executive directors to hold meetings amongst themselves without participation from executive directors and management, if they would like to have a discussion on the management issues or any issues they are interested in. In 2016, non-executive directors had held such meetings, in an unofficial form, after finishing the Board Meetings.
- 4.3 The Company organized 5 Board of Directors meetings during 2016, which were appropriate to the obligations and responsibilities of the Board of Directors and the Company's business operation. Participation of all directors in such meetings represented 82.64% of the total number of meetings of the year.
- 4.4 The Chairman and/or Vice Chairman of the Board and the CEO jointly set the agenda for each Board meeting. Moreover, each Board member is free to suggest agenda items.
- 4.5 Meeting documents are sent to each director at least five days prior to the meeting day. These documents are concise but contain all relevant information. Any confidential issues are discussed during the meeting.
- 4.6 The Chairman of the Board allocates enough time for the meeting to receive full presentations from management and host comprehensive discussions by directors, and encourages thorough discretion by concentrating on all issues brought in the meeting, including the issue on corporate governance.
- 4.7 The Board is able to access additional information, under a prearranged agreement, via the CEO or the Company Secretary or the executive designated as a contact person. If necessary, the Board and each committee can also acquire any independent opinions from external consultants or experts under the Company's expenses.
- 4.8 The Board of Directors encourages the CEO to invite the top executives to attend Board meetings in order to present details on the issues that they are directly responsible for.

5. Board and Committees self-assessment and board member self-assessment

- 5.1 The Board of Directors conducts Board of Directors assessment annually. The criteria and procedures are as follows:

Assessment Criteria

Criteria on Board of Directors self-assessment were based on 3 levels of opinions, as follows:

- >> Low level (need improvements)
- >> Moderate level (acceptable, but can be improved)
- >> Very good level (should be maintained)

The details of assessment criteria shall cover the following subjects.

- >> Satisfaction of the performance of the Board, the performance of the Company, the performance of the Company's subsidiaries and the problem solving by Management

- >> Comprehension of the Company's Board of Directors on role of the Board, the Company's business and the Company's strategies
- >> Relationships between the Board and the Management
- >> Roles and the process for assessing CEO
- >> Performance efficiency of the Board's committees
- >> Adequate and Suitable time to consider various matter in the Board of Directors meeting
- >> Directors' preparations before each meeting
- >> Directors' potential to express their opinion independently and impartially
- >> Provision of opportunities and encouragement for each Director to express his opinion independently

Procedures

The Chairman of the Corporate Governance Committee shall sign a letter sending assessment forms to all directors, requesting each director to return the assessment form to the Company Secretary for compilation of information. The Company Secretary shall then process the information and present the summary thereof to the Corporate Governance Committee for analysis of the assessment. Subsequently, the Corporate Governance Committee shall report to the Board of Directors on the assessment result and make recommendations for improvements as appropriate.

- 5.2 In 2016, the Board of Directors do individual performance assessment and conduct such assessment annually. The criteria and procedures are as follows:

Assessment Criteria

Criteria on individual performance assessment were based on 3 levels of opinions as mentioned in item 5.1 as follows:

- >> Low level (need improvements)
- >> Moderate level (acceptable, but can be improved)
- >> Very good level (should be maintained)

The details of assessment criteria shall cover the following subjects.

- >> Satisfaction of the performance of the Board, the performance of the Company, the performance of the Company's subsidiaries and the problem solving by Management
- >> Comprehension of the Company's Board of Directors on role of directors, the Company's business and the Company's strategies
- >> Relationships among each Board's member and the Management
- >> Roles and the process for assessing CEO
- >> Performance efficiency of the Board's committees
- >> Adequate and Suitable time to consider various matters in the Board of Directors meeting
- >> Directors' preparations before each meeting
- >> Directors' potential to express individual's opinion independently and impartially
- >> Provision of opportunities and encouragement for each Director to express his opinion independently

Procedures

The Chairman of the Corporate Governance Committee shall sign a letter sending assessment forms to all directors, requesting each director to return the assessment form to the Company Secretary for compilation of information. The Company Secretary shall then process the information and present the summary thereof to the Corporate Governance Committee for analysis of the assessment. Subsequently, the Corporate Governance Committee shall report to the Board of Directors on the assessment result and make recommendations for improvements as appropriate.

- 5.3 Moreover, each committee also conducts performance assessment annually. The criteria and procedures are as follows:

Assessment Criteria

Criteria on committees' performance assessment were based on 3 levels of opinions as mentioned in item 5.1. The details of assessment are as following:

- >> Satisfaction of the performance of the committee which the directors belong to, the performance of the Company, the performance of the Company's subsidiaries and the problem solving by Management
- >> Comprehension of the directors on role of directors in the committees
- >> Relationships among each director in the committees and the Management
- >> Directors' preparations before each meeting
- >> Directors' potential to express individual's opinion independently and impartially
- >> Provision of opportunities and encouragement for each Director to express his opinion independently

Procedures

The Company Secretary shall send assessment forms to each committee member in every committee, requesting each member to return the assessment form to the Company Secretary for compilation of information. The Company Secretary shall then process the information and present the summary thereof to each committee for analysis of the assessment. Subsequently, the Chairman of each committee shall report to the Board of Directors.

6. Remuneration

- 6.1 Board members' remuneration is comparable of other directors in the Company's industry, and reflects the experience, obligations, range of work, accountability, responsibilities and contributions of each director. Members of the Board with greater responsibilities, such as independent directors who also hold committee memberships, are paid more.

In 2016, the Company disclosed the remuneration of each director in its annual report and Report 56-1 which also posted on the Company's website.

- 6.2 Remuneration of the CEO and top executives is set in accordance with Board policy, within the limits approved by shareholders (for the types of remuneration that require such approval). Executives' salaries, performance pay, and other long-term compensation reflect the Company's performance and that of each executive.

6.3 The Compensation and Nominating Committee evaluates the performance of the CEO annually to set his compensation. The basis of the appraisal is agreed upon by the CEO ahead of the evaluation. The criteria are objective, including financial performance, long-term strategic performance, career development planning, etc. The Chairman of the Board or a senior director communicates the evaluation results to the CEO.

7. Board and Management Training

7.1 The Company encourages and facilitates training for all internal parties who have a role in corporate governance, including directors, members of the Audit Committee, executives, the Company Secretary, etc. Training - either internal or external - enables them to continuously update their knowledge for performing their duties.

7.2 The Board encourages directors to enhance their knowledge for performing their duties by regularly attending training courses and joining seminars. In 2016, 1 director carried on attending training courses organized by ICC Thailand International Chamber of Commerce. The training course is The Innovation and the New Digital Economy.

7.3 Every time that the Company appointed new directors or replaced them, the Management prepared and provided new directors with material and information beneficial for fulfilling their duties including introduction to the Company's various businesses and business direction for new directors.

7.4 The Company has established an official executive "Succession Plan" because the Company is aware that succession planning is a key component of sustainable business success. In light of this, the Company has established processes and procedures to appropriately identify and select candidates for succession at all levels of significant management position. The succession process is consisting of:

(1) Establish the list of candidates to enter the succession process:

Where top executives and management select the candidates and conduct the evaluation of these candidates by descending order, the candidates have to undergo the followings performance evaluations:

>> Employee and its performance evaluation which are consisting of:

- Past performance and the anticipation of their performance in the future
- The decision-making ability, strength, what to improve or what to provide for further development and career path
- Employee's capability assessment

>> 360 Degree Feedback Surveys in relation to the Company's corporate value

>> 9-Cell Charts evaluation which is a review of the performance and behavior of candidates in relation to the Company's corporate values

(2) Establish candidate slate:

Where the person who is currently in the post has to make his or her candidate slate by specifying three (which can be more or less) potential successors and listed those candidates in the order of their readiness.

(3) Review the candidate slate and establish the Company's Succession Plan:

Where the President, top executives and Human Resources executive have to work together in order to review the candidate slate and establish the Company's overall succession plan which will be based on the following key elements; business unit overview, organization chart, candidate slate, 9-cell charts evaluation, employee evaluation and 360 degree feedback surveys

(4) Establish the personal development plan for each of the candidates, execute the development plan and follow up

(5) Perform an evaluation and a review of the Succession Plan on an annual basis

Candidates who have been selected to enter the succession program will have to undergo personal development activities assigned to them by the Company. The development consists of on-the-job training, being set challenging assignments and undergoing job rotation to develop leadership skills and business knowledge in all areas of the Company's operations to ensure continuity in the effective preparation of candidates for executive positions whenever a vacancy in a relevant position arises or where a new position is created to support business expansion.

CORPORATE SOCIAL RESPONSIBILITY

1. ETHICAL BUSINESS OPERATIONS

The Company oversees the legal rights of its stakeholders as well as their mutual interests and benefits to ensure those stakeholders' rights and benefits are fairly exercised and protected. The Company's Board of Directors has designated corporate governance policies as well as ethical and best practice guidelines that serve as a framework for both the management and staff to strictly follow.

This framework serves as a guideline for the Company in operating its businesses on a fair and transparent basis. The Company has strict policies that prohibit inducement and unfair treatment of its business partners.

True Group is aware that corporate governance and transparency are crucial to its business operations, which must be fair and auditable for equal benefits of all stakeholders. The Group has implemented an electronic procurement system that enables all transactions between the Company and its vendors to be transparent and auditable in all aspects, which include budgeting, purchase authorization and documentation. The online procurement system enables procurement requesters to select goods and services from its online catalogue on a self-service basis, while vendors are selected in line with the Company's procurement guidelines.

Other corporate governance standards and auditing measures to ensure transparency and fairness also include:

- >> Vendor selection procedures are fair and transparent with price comparisons as appropriate for each business unit of the Group.
- >> Budget is allocated to cover each business unit's expenditure. No procurement can be executed without sufficient funds.
- >> Approvals of procurement requests are authorized by managers/supervisors on a multi-level basis with different procurement value authorization.
- >> The procurement department is responsible for overseeing all purchasing requests.

The complete procurement process is transparent and auditable. Purchase records are kept with all necessary details and can be retrieved anytime for scrutiny.

2. FRAUD PREVENTION AND ANTI-CORRUPTION

True Group places great importance on its anti-corruption stance as well as intolerance of all forms of bribery as indicated in the Company's ethical principles and codes of conduct, which strictly prohibit employees from demanding or receiving bribes from business partners for themselves or other parties. They are also prohibited from making payments, supporting or bestowing benefits, considered as a bribe. True's anti-corruption policy and its intention to support government agencies in campaigning for anti-corruption regime has been disclosed publicly.

Moreover, the Company announced its commitment to take part in the public sector's united front in countering corruption with its strong intention to strictly comply with Thailand's anti-corruption legislations. True's anti-corruption measures have been formulated in writing to serve as a clear principle in businesses operations in order to lay ground to sustainable organizational and national development. True creates and maintains a corporate culture that is totally against all forms of corruption. Thus, the Company itself, its subsidiaries and affiliates, directors, management and all employees are prohibited from engaging or being involved in any form of corruption – either directly or indirectly, and are accountable for strictly complying with the Company's anti-corruption principles, which forbid bestowing/receiving bribes in all business operations. Moreover, it is also required that the Company contact and deal with government agencies with transparency and integrity as stipulated by the law.

1) SUPERVISION OF INSIDER INFORMATION

The Company provides channels for any stakeholder to submit complaints or provide information concerning fraud, wrongdoings or violations of the Company's Code of Conduct to the Board of Directors via the Audit Committee. Information on these channels is on the Company's website www.truecorp.co.th. Stakeholders can, in confidence, submit complaints or provide information concerning fraud, wrongdoing or violations of the Company's Codes of Conduct to the Company's Board of Directors or to the related persons through the following channels:

- 1.1 Audit Committee E-mail address: auditcommittee@truecorp.co.th or a sealed letter addressed to the Chairman of the Audit Committee or to the Audit Committee directly at the address: True Corporation Public Co., Ltd. 18 True Tower Building, Ratchadaphisak Road, Huaykwang, Bangkok 10310 or
- 1.2 Chief Executive Officer and Managing Director directly at the following address: Chief Executive Officer and Managing Director 18 True Tower Building, Ratchadaphisak Road, Huaykwang, Bangkok 10310 or
- 1.3 For general complaints, e-mail to the Human Resources Department: CodeofConduct@truecorp.co.th or call 02-699-2023
- 1.4 For anti-corruption complaints, call Quality & Internal Control Department at 02-699-6944 or e-mail Fraud & Cyber Crime Department: Noppadol_som@truecorp.co.th

The Company Secretary, in the capacity of Secretary of the Audit Committee, will be responsible for gathering the issues and forwarding them to the Audit Committee for its consideration and further action. The Audit Committee will summarize results of any investigation and report to the Board of Directors every quarter.

- >> Anonymous letters are not accepted.
- >> Stakeholders who submit complaints or information must provide their full name. The Company will keep their personal information confidential. Only officers or persons authorized by the Audit Committee can access the information.
- >> Irrelevant issues such as the following shall not be processed by the Audit Committee:
 - Job inquiries
 - Surveys and other requests for information about the Company
 - Offers or advertisements of goods and services
 - Requests for donation and sponsorship

2) SUPERVISION OF INSIDER INFORMATION

True Group is aware of the importance of preventing the use of the Company's insider information for personal benefits. Insider information supervision has been included in the Code of Conduct with regards to the use of insider information by the Company's directors and management in trading securities for the benefits of themselves and other related persons. True's directors and management are not allowed to use insider information to benefit themselves – such an act is considered as a failure to fulfill their responsibilities toward the Company and shareholders. Insider information is strictly confidential and known only by related directors and top executives.

Moreover, the Company's directors and executives are obligated to report to the Securities and Exchange Commission (SEC) concerning their purchase, sale, transfer or receiving of securities issued by the Company within 3 days from the transaction date. They are also required to submit another copy of the report to the Company as evidence of the transaction to be further reported at the Board of Directors' meetings on a regular basis. This requirement is aimed at ensuring that the Company's directors and executives manage and operate the Company's businesses with integrity and transparency as well as complies with the Company's corporate governance principles to create confidence among shareholders and investors.

3. RESPECT FOR HUMAN RIGHTS

True Group places great importance on being a part of the global community and on good corporate citizenship to create a better and sustainable world. On October 1, 2015, True became a member of the UN Global Compact and is committed to its 10 principles that cover 4 major areas of responsibilities: human rights, labor, environment and anti-corruption. True is one of more than 12,000 leading companies and non-business participants from 170 countries joining the UN Global Compact.

True Group's business operations continue to place great importance on human rights. True regards that everyone, as a part of the community, is entitled to all the rights and freedom and is equal in dignity. According to the law, everyone should be treated equally and receive support to work according to their capabilities and potential. In this regard, True Group has provided employment opportunities for disabled persons based on their capabilities.

- 1) True Group hires people with disabilities taking into account their skills and capabilities and the Company has disabled employees in various positions such as engineers, customer service officers, and technicians. At the end of 2016, True Group hired 214 employees with disabilities.
- 2) The Company creates jobs and income for the disabled through its participation in the Occupational Support for the Disabled as per code 35 of the Disabled People's Living Quality Promotion and Development Act 2007. The Company helps the disabled to improve their quality of life and occupational potential by using its communication technology and innovations, which come under the concept of "Creating a Better Life for the Disabled". The Company established the True Autistic Thai Center to provide training for people with autism to be able to earn income to support themselves and their families through use of the True Autistic Application jointly developed by True's Plookpanya and Innovations teams and the Thai Autistic Foundation. Training was provided for parents, teachers and volunteers across the country, especially on the use of Kare Application, which was developed to help children with autism learn and develop skills and knowledge. Parents can also use video clips to teach children to do activities step by step together with the use of training kits. In 2016, training was provided to 880 parents, children and teachers at regional centers across the country.

4. FAIR TREATMENT OF THE WORK FORCE

The Company cares and pays attention to the well-being of its employees, through the True Plook Rak Campaign with the following activities:

True's Plook Rak Campaign

- >> Happiness Temperature (HT): A survey was conducted via the internal HR website on the level of employee happiness and the results were used to make improvements according to employees' needs
- >> Wellness Spa: Traditional Thai massage for employees to relieve stress and tension and exercise activities such as yoga, Tai Chi Qigong, free dance, and jazz dance together
- >> Good Health with Plook Rak: A campaign encouraging employees to take care of their health through monitoring and preventive measures including comprehensive health checkups for staff
- >> Dharma with Plook Rak: This campaign included Buddhist prayers, monthly merit-making as well as lectures on dharma. Moreover, an ordination ceremony was organized where participating management and staff were ordained as monks as a Royal Tribute. A training course is also available where staff can practice dharma for 5 days per year.
- >> Wealth with Plook Rak: This campaign educates employees on how to carefully spend money by eliminating unnecessary expenses and on how to save for a happy retirement

5. RESPONSIBILITY TOWARDS CONSUMERS

True Group implemented the following projects and activities to cultivate the importance of customers among its employees:

- 1) As part of its focus on consumers, True Group implemented Total Quality Management (TQM) in its business operations across all departments in the organization in order to improve work processes which will subsequently result in better product and service quality for customers.
- 2) All electrical appliances (mobile phones and tablets inclusive of leading & house brands) sold at True Shops are certified for their quality and safety according to standards by the National Broadcasting & Telecommunication Commission (NBTC).
- 3) The Company prepared information and tips in the form of Q&As on utilizing technology and IT devices which were disseminated to the public through print media, radio and TV.

6. ENVIRONMENTAL CONSERVATION

The Company is always aware of environment problems and places great importance on environmental conservation. Various ongoing activities, both internal and external, were organized to support this annually under the True Plookpanya project as well as other projects.

1) PROMOTION OF NATURE AND ENVIRONMENTAL CONSERVATION ACTIVITIES

1.1 Cultivating love of nature and the environment through the Annual Nature and Wildlife National Photography Contest

True Group and the Department of National Parks, Wildlife and Plant Conservation jointly organized the 22nd Annual Nature National Photography Contest 2016 to create awareness of environmental conservation among youths and the public by using photography as a medium under the theme of “Nature and Wildlife Photography”. The contest was open for participants to compete for the HRH Princess Maha Chakri Siridhorn Royal Trophy and HRH Princess Galayani Vadhana Krommaluang Naradiwas Royal Trophy with cash prizes totaling over Baht 500,000 along with privileges to visit national wildlife sanctuaries across the country without having to pay admission fees.

The contest was categorized into two levels; one for the general public and another for students. In 2016 more than 2,000 photos taken by 527 contestants, using digital cameras, were submitted, featuring beauty of the wildlife and forest and reflecting the success in building awareness among Thai people in conserving nature and the environment as well as protecting forest and nature.

The award-winning photographs are available for viewing via the “True Photo Contest” application, which showcases all the 381 winning entries in the past 22 years of competition (1992-2016). The application, on both iOS and Android platforms, can be downloaded free of charge and is searchable by using the key word “True Photo Contest”.

2) Development of We Grow Application to Boost Awareness of Nature and Environment Conservation

True Group’s Innovation team developed the We Grow application to create awareness of the environment and increase public participation in planting trees in the digital age. The application is the largest plant information hub in the country and throughout 2016 True Group introduced the We Grow application under the following activities:

2.1 “Love the Forest Youth Camp” 2016 supported by We Grow application

True Group used the We Grow application as the tool in training participants in “Love the Forest Youth Camp” organized to celebrate HRH Princess Maha Chakri Sirindhorn’s 60th birthday by the Education Ministry, the Department of National Parks, Wildlife and Plant Conservation, the Department of Agricultural Extension, the Land Development Department, the Cooperative Auditing Department, Bangkok Metropolitan Administration and True Group. The project was participated by more than 7,000 students as well as teachers and representatives from 28 Nature Study Centers of the Forestry Department. True Group supported the project by providing 3 smart phones with SIM cards and data packages, worth Baht 300 each per each center to facilitate the training.

2.2 1 to Tree application to support learning of tree species at Queen Sirikit Park

The innovative 1toTree application was developed to help with the studying of tree species among youths with an aim to build their awareness and love of the environment. This application enables them to search and learn by their own through Action Learning. True provides labels to major trees within Queen Sirikit Park so that youths and the general public can learn and test their knowledge on these trees and plants.

3) ENVIRONMENTAL CONSERVATION ACTIVITIES

True Group continues to put emphasis on energy saving by undertaking numerous initiatives such as reducing CO2 emissions in each operation process, improvements to efficiently manage energy consumption, as well as encouraging all business units to come up with energy saving initiatives which are as follows:

3.1 Energy saving from managing equipment in the telephone exchange building: Idle servers with minimal workload were shut down and had their data migrated to another server to maximize usage. The clients were

at the same time reconfigured to link to the new server. In addition, fluorescent bulbs in the building were replaced with energy-saving bulbs, which consume less electricity and require lower maintenance costs.

3.2 Installation of Free Flow Cooling System at RCUs in place of the existing air conditioning stem without impact on the operational function. This initiative helped lower the electricity consumption rate by approximately 8.5 million units or about Baht 15 million per year and helped reduce carbon dioxide emissions as well.

3.3 True Group received funding support from the Department of Alternative Energy Development and Efficiency, Ministry of Energy, to upgrade its chiller systems located at several main signal exchange stations. True installed new air cooled chillers to improve system efficiency of 3 telephone exchange stations in Muangthong Thani and a new water cooled chiller at an exchange station on Petchburi Road.

7. PARTICIPATION IN THE DEVELOPMENT OF THE COMMUNITY AND SOCIETY

1) PROMOTING EDUCATIONAL DEVELOPMENT ACTIVITIES (CULTIVATING KNOWLEDGE)

1.1 Cultivating Knowledge: Broadening the Learning Experience at for Schools Nationwide with True Plookpanya project

True Group's ongoing commitment is to support education-related activities through its True Plookpanya project, which uses True's own integrated telecommunications technology and innovations to help develop educational efficiency at underprivileged schools which lack adequate teaching materials and equipment. Currently, about 6,000 schools have joined the project of which 58 were selected as the model True Plookpanya schools based on their efficient academic performance. Academic activities under the True Plookpanya project include;

>> True Plookpanya participated in the National Children's Day 2016 activities under the concept of "Cultivating Knowledge, Cultivating Virtue and Cultivating Love for Environment". The objective was to develop youths' analytical skills, instill moral values and ethics, as well as and build environmental conservation awareness through knowledge creation games such as "Asean Economic Community (AEC)", 12 Values, Love for the Environment, and a game corner from True Click Life.

1.2 Cultivating Knowledge: True Group promotes education through its participation in the Pracharat Project, focusing on fundamental education and leadership development

True Group, through its True Plookpanya team jointly supported the Government's Pracharat Project, which focuses on fundamental education and leadership development. The Government appointed True's President and CEO Mr. Suphachai Chearavanont as the Chief of the working team on the mission to develop education and leadership in order to drive and elevate the standard of education in Thailand in all dimensions. The project is expected to help develop education through upgrading IT infrastructure, curriculum

improvement, school manpower and ethics. It also aims to create motivation and more participation from parents and the communities in a bid to pushing Thailand as the regional hub of future technology education.

The Government through the Ministries of Education, Information Technology and Communication and Science and Technology signed an agreement with 25 representatives from the private sector and communities to implement a pilot project on education at 7,424 schools in all regions of the country, using True Plookpanya model schools as the prototype with activities such as;

>> Supporting academic workshops for school leaders nationwide

The True Plookpanya team jointly supported academic workshops for 3,342 directors and 225 deputy directors of Pracharat schools across the country. Led by Mr. Suphachai Chearavanont, as the head of the private sector team, the workshops outlined the direction in driving Thai education sustainably through 3 key initiatives; 1) 10 dimensions of strategic transformation; 2) CONNEXT ED school partner leadership program; and 3) Education Hubs - a project that supports excellence in research and development by providing R&D funds to universities

>> Supporting new generation leaders to join CONNEXT ED leadership development program

True Group joined 12 other private organizations in establishing the CONNEXT ED leadership development program under the Government's Pracharat project. The project is aimed at supporting leadership development to drive the education sector. The Company also sent over 100 young generation leaders to join in the project, which was based on the 3E key principles; 1) Enable school leaders to work as per set strategies; 2) Enhance the direction of development to gain support from the private sector; and 3) Engage families and communities. The target for 2016 was 3,342 schools joining in the program and this will increase to 7,424 schools in all sub-districts by 2018.

>> Organize meetings for new generation leaders to prepare for Pracharat school planning

True Group together with 12 other private organizations jointly organized meetings for 600 new generation leaders to provide them with useful knowledge concerning planning, school development principles, True Plookpanya digital media, and student-centric curricular. Mentors were selected from academic, Government, private, and community sectors.

1.3 Future Journalist Award 2016

True Group, through TrueVisions, organized the 14th TrueVisions Future Journalist Award: FJA 2016, a contest open to year 3 and year 4 mass communications students with strong interest in journalism to learn and develop news reporting skills with professional and renowned journalists from Thailand and abroad. Two excellent FJA winners: Ms. Anukporn Laiwisetkul from Thammasart University's Mass Communications School, and Ms. Mintra Adare from Burapa University's Humanity and Social Science Schools, were selected from

among 245 students from 13 universities nationwide. The two winners underwent their journalism training with BBC World News in London, United Kingdom, while five other outstanding FJA students were trained with TrueVisions' TNN24 TV News station for one month.

1.4 Cultivating Knowledge: Awarding scholarships for students joining the True Young Producer Award 2016

True Group and the Advertising Association of Thailand awarded scholarships, worth Baht 100,000, to the "Monruk Production" team from Rajabhat Suansunandha's Business Administration School. The results were taken from the highest Like, Comment and Share numbers on social media among the 10 finalists, which produced their advertisement on the theme of "Giving from the Heart is the Best". The winner also received the HRH Princess Maha Chakri Sirindhorn's trophy for their competency and creativity in producing TV commercials for society in the viral video format with a duration of less than 2 minutes.

1.5 Cultivation Knowledge: True and Brain Cloud Thailand supported English lesson kits for the three southernmost Thai provinces

True Group joined hands with Brain Cloud (Thailand), a producer of educational media, in delivering English lesson kits, comprising True Smart Tablets 7.0, 3G data SIM cards from TrueMove H and smart real-time English language learning system from Brain Cloud, to schools nationwide. They delivered 800 packages to teachers at Thewphaingarm School and 2,250 sets to more than 30 schools in the three southernmost Thai provinces in 2016.

1.6 Cultivating Knowledge: True Plookpanya Channel joins Peppermint Field in awarding scholarships to representatives of AdsGang 59 from the "Admission Gangs" program.

True Group, through True Plookpanya Team, joined forces with Bertram Chemical (1982), the producer and distributor of Peppermint Field products and a sponsor of the "Admission Gang" program. They jointly awarded scholarships totaling Baht 360,000 to representatives of the 12 AdsGang members that won the competition in the "Admission Gang" program, which is an educational program broadcast every Saturday at 11.00 hrs on TrueVisions TV channels 37, 116 or PSI channel 188. In the program, year 6 high school students competed to win places in their dream colleges through training with experts and famous tutors.

1.7 Cultivating Knowledge: True Group and the Press Council of Thailand hosted the 19th Pirabnoi Workshop

True Group collaborated with the Press Council of Thailand in hosting the 19th Pirabnoi Workshops 2016 for 71 mass communications students from 34 educational institutions across the country, who underwent extensive training by professional journalists and prepared themselves for careers in the media industry. True Group has been providing ongoing support for this project.

1.8 Cultivating Knowledge: True Group and the Thai Broadcast Journalist Association hosted the 14th Saifanoi Journalist 2016

True Group collaborated with the Thai Broadcast Journalist Association, represented by its President Mr. Thepchai Yong in hosting the 14th Saifanoi Journalist Workshop 2016. The intensive training in both radio and TV media was provided for 64 mass communications students from 37 educational institutions nationwide who submitted a combined total of 86 broadcast news pieces to be considered by judges. The “Final Days of Alloy Bowl” documentary from Rangsit University won the top award in the category of cultural identification, garnering a Baht 20,000 cash prize.

2) PROMOTION OF SOCIAL ACTIVITIES AND COMMUNITY DEVELOPMENT

2.1 Cultivating Virtue: 5th Little Novices Cultivating Wisdom Project under the concept of “following the footsteps of Lord Buddha”

True Group produced the 5th Little Novices Cultivating Wisdom as a Dharma reality program that features content on good morals and ethics together with entertainment while serving as a key foundation to implant righteous values in youths so that they will grow and develop into capable and good members of society. In 2016, 12 young boys were selected from 3,000 candidates from all over Thailand to participate in a dharma camp at Kaowong Temple in Saraburi province with under the theme of “Love-Wait-Sufficiency-Give”. The TV reality show highlights good examples for society, creates inspiration among audiences as well as helps Thai youths and the general public to better understand and recognize the values of and studying Buddhism.

2.2 Communication technology for the final round of the World Grand Prix Volleyball 2016.

True Group supported the FIVB World Grand Prix Volleyball 2016’s final round of competition by installing Internet and WiFi to serve its tablet-based e-System, preparing devices as well as providing domestic and international call packages for staff and team members of the Federation of International Volleyball (FIVB). In addition, True customers were offered the privilege in obtaining tickets to watch the competition right at the stadium.

2.3 Cultivating Virtues: True supported King Power’s Cup to recruit young football players for training in the UK.

True Group was supported Thai youths with a strong interest and passion in football to have a chance to learn and earn experience with internationally recognized football clubs. In collaboration with Leicester City FC, True organized an under-15 youth football competition “King Power’s Cup” and recruited 9 outstanding young football players to travel to the UK and be trained at Leicester City in their “Leicester City International Academy” Year 2 to pave way for the youths to become world-class players.

- 2.4 Cultivating Virtues: True Group's employees and their family members donated funds for the construction of a meditation center at Cherntawan Farm in Chiangrai province.

True and Charoen Pokphand Groups' employees and their family members along with the companies donated Baht 22.2 million to fund the construction of an international meditation center at Cherntawan Farm in Chiangrai province. Capable of accommodating 1,000 dharma practitioners, the facility is aimed at educating the global community on Buddhism.

- 2.5 Cultivating Virtues: True Group handed over SMS-donated funds of over Baht 1 million baht from the Let Them See Love project to the Thai Red Cross

True Group handed over Baht 1,095,080 in funds donated via SMS to support activities concerning eye and organ donation in the Let Them See Love Project, which organizes a campaign to encourage people to see the importance of eye and organ donation for those in need, giving them hope for a new life.

- 2.6 Cultivating Virtues: True Group contributed Baht 1 million to the Paralympic Council of Thailand to support athletes with disabilities.

True Group donated Baht 1 million to the Paralympic Council of Thailand to support sports for the disabled and provided 60 sets of True Smart 4G Max 5.0 phones and packages worth Baht 1,000 each to all Thai Paralympic athletes. The contribution was hosted at the "Thank You the Heroes" party organized by Charoen Pokphand Group to welcome and celebrate the success of Thai athletes, who won 6 gold, 6 silver and 6 bronze medals at the 2016 Paralympic Games in Brazil.

- 2.7 Cultivating Virtues: True Group provided free smart phones with 24-hour free call packages for residents in the Eua Arthorn Housing Project.

True Group offered privileges for residents in housing projects under the National Housing Authority by providing smart phones with free calls within the communities 24 hours a day as well other service packages from TrueOnline and TrueVisions at discounted prices. The aim was to improve the quality of living of residents in the area with digital technology. This initiative started with a pilot project at the Eua Arthorn Housing Project Ramindra (Kubon 27) and was expanded to others.

- 2.8 Cultivating Virtues: True Group provides free calls for TrueMove H customers overseas during times of crises and incidents occurred throughout the year

True Group provided free calls (both inbound and outbound) to TrueMove H customers who were overseas in areas affected by natural disasters and/or incidents that took place during 2016. This free service was provided so that customers and their families or friends were able to communicate with ease and peace of mind to ensure their safety.

2.9 Cultivating Virtues: True Group highlights “Organ Donation Will” of the Let Them See Love Project

True Group, Charoen Pokphand Group, the Organ Donation Center and the Eye Bank of Thai Red Cross jointly promoted the campaign to encourage Thai people to donate organs and eyes through the Let Them See Love Project, now in its 10th year by highlighting the principle concept of “Organ Donation Will”. To increase the campaign’s effectiveness, donors were encouraged inform their relatives of their will to donate organs so that their donation can be made in a timely manner when they pass away. At present there are 5,018 patients waiting for organ transplants while as much as 7,964 are waiting for retina transplants.

2.10 Cultivating Virtues: True Group and the Charoen Pokphand Group both sponsored food supply and communication packages for the Thai athlete team competing at the 2016 Olympic Games.

True and Charoen Pokphand Groups officially sponsored food supply and communications package for the Thai athlete team at the Olympic Games 2016 in Rio De Janeiro, Brazil, during August 5-21, 2016. A Thai kitchen managed by top-class Thai chefs was set up to cook fresh and tasty meals for the Thai athletes and media at the Thai House to best prepare them for the competition to win pride for the country. International roaming SIM cards were also provided by TrueMove H to enable them to stay connected with their families and loved ones during the period.

2.11 Cultivating Virtue: True and CP Groups unveiled the documentary “The Land of His Early Years” on TNN24

True and Charoen Pokphand Groups in collaboration with TNN 24 news TV station jointly produced the historical documentary “The Land of His Early Years”, featuring several locations in Switzerland where His Majesty the late King Bhumibol Adulyadej spent his childhood. Comprising 9 episodes, the documentary was broadcast by royal permission for the Thai people to learn about His Majesty the late King’s early life and to celebrate the 70th year of his ascension to the throne. The documentary made its on air debut on June 9, 2016 at 20.00 hrs on TNN24 channel (TrueVisions channels 16 and 777) and True4U (TrueVisions channel 24).

2.12 Cultivating Virtues: TrueMove H supported and developed AOT Free WiFi at 6 international airports nationwide

True Group installed fiber optic networks to provide high speed Internet services as well as to monitor Internet usage along with allocating additional equipment at 6 airports. This was to help facilitate airport users to easily use the Internet anytime and anywhere within the airport. The AOT Free WiFi by TrueMove H campaign offered 2-hours of Internet usage per day free of charge, covering more than 100,000 hot spots across the country. As a result, Don Mueang International Airport was voted among tourists worldwide as the airport with world’s fastest Wi-Fi service in 2015. Besides, other international airports operated under the Airports of Thailand (were ranked among the Top 10 best WiFi airports in the world. The rankings were based on surveys of traveler’s experiences and Internet speeds tested in more than 200 airports worldwide, surveyed by Rotten WiFi.

2.13 Cultivating Virtues: True and Charoen Pokphand Groups operated free refreshment tents for the public attending the Royal Funeral sites.

With heartfelt gratitude of the late His Majesty King Bhumibol Adulayadej's contribution to Thailand, True and Charoen Pokphand Groups jointly express their condolences by providing free food and refreshments for the public who travelled from far and wide to the Royal Palace to pay their final respects to their beloved monarch. True Corporation also increased the efficiency and capacity of its TrueMove H mobile network and True Free WiFi in the area while at the same time provided free use of mobile phone chargers and offered complimentary rain coats to the public when it rained. Staff volunteers from True and the Charoen Pokphand Groups also made black ribbons and distributed these to visitors at the Royal Funeral site to show their determination in continuing the late King's philosophy of doing good things.

2.14 Cultivating Virtues: True Group collaborated with the Charoen Pokphand Group in helping Thai rice farmers by providing distribution channels at True Shops and True Coffee.

True Group took part in alleviating difficulties faced by Thai rice farmers by supporting the Government's policy to help solve the falling price of rice problem by offering additional channels for Thai farmers to sell rice at cost prices at more than 300 outlets of True Shop and True Coffee.

2.15 Supporting the quality of life in remote area communities through TrueMove H mobile network

True Group helped improve the quality of life in communities located in remote rural areas by providing TrueMoveH data packages on an ongoing basis to a total 126 district and sub-district hospitals nationwide that lacked Internet connection. This enabled the hospitals to improve community health services for patients such as online medical consultation, emergency transfer of patients, and communicating with others.

3) TRUE GROUP'S SUSTAINABILITY DEVELOPMENT

True Group places great importance to sustainability development and is committed to disclose corporate progresses and corporate social responsibility according to its annual materiality analysis. The materiality analysis involves a process to identify sustainability topics viewed as important by both internal and external stakeholders, to communicate the management approach to each material issue and to disclose related operations through the Sustainability Development Report. Such process of sustainability development evaluation is divided into 4 steps as follows:

- Step 1 : Topic Identification – Material issues of True Group were identified in line with corporate strategies, risks, challenges and stakeholder inclusiveness. The impacts of both internal and external boundaries were also identified.
- Step 2 : Prioritization – The important and relevant topics were prioritized by considering the significant impact on True Group and stakeholders' interests.

Step 3 : Verification – The materiality assessment results are presented to the Corporate Social Responsibility & Sustainability Development committee for their review and approval to disclose in the Sustainability Development Report.

Step 4 : Review – Former material aspects that impact True Group's business growth are continually reviewed and are to be reported in subsequent Sustainability Development Reports.

In 2016, True Group prepared the Sustainability Development Report to communicate stakeholders' interests and the impact on True in terms of economy, society and the environment throughout 2016. The report was based on the Global Reporting Initiatives (GRI) G4 core level sustainability guidelines as a framework. GRI is one of internationally recognized standards for sustainability reporting.

Based upon analysis of the significance level of aspects that affect sustainability development of True Group in 2016, there are 15 significant topics as follows: Digital Inclusion, Innovation Management, Human Capital Development, Corporate Citizenship and Philanthropy, Human Rights, Employee Health and Safety & Wellness, Energy & Carbon, E-waste, Electro Magnetic Fields, Resources Optimization, Service Quality, Data Privacy & Security, and Supply Chain Management.

8. INNOVATION AND SHARING OF INNOVATION FROM BUSINESS OPERATIONS WITH RESPONSIBILITY FOR SOCIETY, ENVIRONMENT, AND STAKEHOLDERS

1) PROMOTION OF INNOVATION THROUGH TRUE INNOVATION AWARDS

True Group supports creation of innovations to increase working efficiency and maximize use of resources by organizing the True Innovation Awards to encourage employees at all levels to take part in developing innovations that benefit the organization and society. Employees are urged to see the importance and benefits of innovation as well as the use of innovation to develop their works, solve problems for customers, develop products and services, improve work process, create value additions, raise customer satisfaction levels and increase revenue.

2) TRUE GROUP OPERATES SOLAR ENERGY POWERED MOBILE SIGNAL BOOSTERS, AN INNOVATION FOR SUSTAINABILITY AND THE FIRST OF ITS KIND IN THAILAND

As part of True Group's commitment to create innovation that will sustainably develop and improve Thai society, the Company introduced the use of the country's first solar energy powered mobile signal booster, - designed by True Group for use in areas affected by disasters. The unit was used among 3 other mobile signal boosters in use at the Royal Funeral site to maximize network coverage for the public. The innovative signal booster was not only energy-saving, but also environmentally friendly.

3) TRUE GROUP SCHOLARSHIP FOR STUDENTS IN THE 1ST “POPCORN BY TRUE LAB” PROJECT

True Group awarded scholarships to students excelling in creative ideas in the Popcorn Innovation Business Plan: Turn Idea to Entrepreneur by True Lab or the 1st Popcorn by True Lab at Bangkok University (Rangsit Campus). The contest was a stage for students to come up with new practical and executable ideas and was joined by 42 teams from across Thailand. The winning team was Let's Move Up, Let's Move On team from Assumption and Ramkhamhaeng Universities, which produced material from brewer's grains with special characteristics such as resistance to MERS germs, substitution for hybrid engineering wood, and beauty. Another was Long Arn Du Team from King Mongkut Institute of Technology (Thonburi) and Bangkok University, which produced a book page flipping machine that enabled the disabled to access printed media and information. They were both awarded Baht 50,000 each.

4) TRUE GROUP OPENS TRUE LAB AS A LEARNING CENTER FOR CREATING INNOVATION AND DEVELOPING INNOVATORS AND RESEARCHERS FOR THAILAND 4.0 REGIME.

True Group places great importance on Innovation and supports the development of a labor force that is highly capable in science and technology under the concept of creating an eco-system that is supportive to the creation of useful innovations. The Company joined hands with King Mongkut Institute of Technology (Ladkrabang) and Mahanakorn University of Technology in opening True Lab as the center of excellence for research and development of inventive and innovative technologies. True Group provided funding as well as business opportunities with the Company for capable students at all levels, which was in line with the Government's policy in driving the country towards Thailand 4.0. It also provided a research fund of Baht 500,000 to teachers and student, so that they can share and exchange knowledge from their real experiences.

True Lab @ Ladkrabang is located on the first floor of the 12-storey Faculty of Engineering building with a total space of 150 square meters, while True LAB@MAHANAKORN is located at Building C occupying a space of 400 square meters. True Lab can be divided into three sections; Private Office –a working space for research fund recipients with various ICT services such personal computers, high-speed Internet and other facilities; Auditorium – a well-equipped meeting room; and Community – which a relaxation zone offering beverages and bakeries from True Coffee, free WiFi and a variety of quality TV programs from TrueVisions.

5) TRUE GROUP PROMOTES AND SUPPORTS THE NEW ERA OF BUSINESS THROUGH TRUE INCUBE

True Group provides opportunities for those with the dreams to successfully run their own businesses through the creation of the right eco-system for start-ups. The Company began by building inspiration to stimulate students in colleges and encourage new generation start-ups with creative ideas to realize their dreams through intensive training programs. The advisory team at True Incube collaborates with universities to transfer knowledge and experience in an environment that is suitable for creating innovation, incubating start-ups to turn ideas into prototypes and driving them to establish their businesses and then scale them up with Pre-incubation and Scale Up programs, which can help them expand within three months. True Incube also enables start-ups in Southeast Asia to become business partners with investment support from True and its business alliances in 20 countries and five continents across the globe.

6) TRUE GROUP PROVIDES MANAGEMENT INFORMATION SYSTEM SUPPORT THROUGH “TRUE FARM” APPLICATION

True Group signed an agreement to cooperate with the Rice Department and Kasetsart University’s radio station to create an information system to educate farmers through the “True Farm” application. The Rice Department and Kasetsart University’s radio station supported academic data and provided advice on agriculture from its experts through the “Klung Kaset” function to assist Thai farmers in planning and managing information with efficiency. By being able to access agricultural data conveniently, farmers can upgrade their farming activities without any extra cost.

INTERNAL CONTROLS AND RISK MANAGEMENT

Summary of Opinion of the Board of Directors regarding the Company's Internal Controls System

After an assessment of the Company's internal controls system with the Audit Committee in the Board of Director Meeting No. 2/2560 held on 28th February 2017 with the presence of all three members of the Audit Committee, the Board of Directors has an opinion that the Company's internal controls system are adequate and suitable. Moreover, the external auditor did not identify any findings in respect of the Company's internal controls system which would be considered to be material weaknesses that could have a material impact on the financial statements. The Board also emphasized the development of the Company's Corporate Governance in order to help improve the internal controls system within the Company on a continuing basis.

Opinion of the Audit Committee which are different from the Opinion of the Board of Directors

- None -

The Head of Internal Audit

The Head of Internal Audit of the Company is Mrs. Daopakay Luksanakulbutr. She was appointed as the Head of Internal Audit since 1st December 2000.

The Audit Committee approves the appointment, transfer and dismissal of the Head of Internal Audit and oversees the person who serves as the Head of Internal Audit to have adequate and suitable educational background, experiences and trainings to fill the role. Details of the Head of Internal Audit including educational background and working experiences are as appeared in the next page.

Information of the Head of Internal Audit (as of 31st December 2016)

NAME	MRS.DAOPAKAY LUKSANAKULBUTR
position	Head of Group Internal Audit
Age (Year)	59
Education	Master of Science in Taxation, Golden Gate University, USA Bachelor of Business Administration (Accounting), George Washington University, USA Certified Public Accountant (USA) Certified Internal Auditor
Training	Outside Training Programs <ul style="list-style-type: none"> >> Challenging role of Audit Committee in the review of financial and non-financial information >> Risk management and Internal Control >> 2015 State of Internal Audit Profession Study >> 2014 State of Internal Audit Profession Study >> IIAT Annual Seminar 2014 >> Brand Training >> BS 25999 Transition to ISO 22301 >> ISO 19011-2011 Auditing Management System >> BS 25999 : Business Continuity Management >> Presentation Skills >> Power Trainer >> Tools & Techniques for Enterprise Risk Management (ERM) In-House Training Programs <ul style="list-style-type: none"> >> Chairman Vision 2015 >> Director Freshen up >> Grow Together With A Winning Culture >> CEO Vision and True LDL workshop >> TFRS >> True Leadership and Innovation Forum #54 >> Telecom Policy Workshop >> Situational Leadership >> LDL Follow up Workshop 2015 >> Chairman Vision 2015 Follow up >> Transfer Pricing >> Continuous improvement >> True Leaders Develop Leaders (LDL) 2014: Chairman Vision Cascade Workshop >> IDEA Application training

NAME**MRS.DAOPAKAY LUKSANAKULBUTR****Training**

- >> IT Audit training
- >> Chairman Vision 2014 to Practice
- >> LDL (Leaders Develop Leaders Program)
- >> LDL Cascade Program
- >> Telecommunications Regulations
- >> 3G Network-BFKT
- >> True Leadership
- >> Business Continuity Management (BCM)

Work experience

- | | |
|--------------|--|
| 2013-Present | Head of Group Internal Audit,
True Corporation Public Company Limited |
| 2005-2013 | Deputy Director - Group Internal Audit,
True Corporation Public Company Limited |
| 2000-2005 | Head of Internal Audit,
TA Orange Company Limited (Presently : True Move Company Limited) |
| 1993-2000 | General Manager,
CP Inter Trade Company Limited |
| 1988-1993 | Certified Public Accountant
RBZ Public Accounting Firm
Los Angeles, CA |
| 1982-1988 | Accounting Manager
American Chemical Society
Washington DC |

CONNECTED TRANSACTIONS

- i.) For the year ended 31 December 2016, the Group carried out the transaction with subsidiaries, associate, joint ventures and related companies as disclosed in note to financial statements for the year ended 31 December 2016 (Note 41). The significant connected transactions of the Company and subsidiaries that carried out with associate and related companies are as follows::

Company Name	Relationship	Details of transactions	2016 (Baht'000)	Rationale and necessity
1. The Company				
Charoen Pokphand Group of companies (CPG)*	CPG is a major shareholder of the Company.	Sale :		
		>> Collection agent fee	32,126	>> The transactions arose in ordinary course of business that the Company proposed to the third party.
		>> Other service	1,821	>> The transactions arose in ordinary course of business that the Company proposed to the third party.
		Purchase :		
		>> Office rental and related services	203,083	>> The transactions arose in ordinary course of business at the rate of Baht 200 – 220 per square metre per month for rental and Baht 220 – 520 per square metre per month for service. The maturity are normally in the year and are allowed to be renewed.
		>> Management fee	89,070	>> The transactions arose in ordinary course of business.
		>> Vehicle rental and related services	77,732	>> The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years.
		>> Repair and maintenance Air Condition system	10,950	>> The transactions arose in ordinary course of business.
		>> Collection agent fee	14,853	>> The transactions arose in ordinary course of business.
		>> Other services	46,490	>> The transactions arose in ordinary course of business.

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

Company Name	Relationship	Details of transactions	2016 (Baht'000)	Rationale and necessity
2. Bangkok Inter Teletech Group of companies (BITCO) (The Company indirectly holds 99.74%)				
2.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 99.74% in BITCO's equity interest.	<p>Sale :</p> <p>>> Sales of mobile handset and accessories</p> <p>>> Commission and other services</p> <p>Purchase :</p> <p>>> Office rental and related services</p> <p>>> Commission from refill card and other service</p> <p>>> Vehicle rental and related services</p> <p>>> Repair and maintenance network</p> <p>>> Advertising and other services</p> <p>>> Handset and refill card</p>	<p>1,624,690</p> <p>568,662</p> <p>276,325</p> <p>243,339</p> <p>186,839</p> <p>473,169</p> <p>204,647</p> <p>4,343,849</p>	<p>>> The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party.</p> <p>>> The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party.</p> <p>>> The transactions arose in ordinary course of business at the rate of Baht 816,988 per month. The maturity is normally 3 years and allowed to be renewed.</p> <p>>> The transactions arose in ordinary course of business.</p> <p>>> The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years.</p> <p>>> The transactions arose in ordinary course of business.</p> <p>>> The transactions arose in ordinary course of business.</p> <p>>> The transactions arose in ordinary course of business.</p>
2.2 China Mobile Group of companies (CMG)	CMG is a major shareholder of the Company. The Company indirectly holds 99.74% in BITCO's equity interest.	<p>Sale :</p> <p>>> Mobile services</p> <p>Purchase :</p> <p>>> Roaming</p>	<p>49,275</p> <p>36,688</p>	<p>>> The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party.</p> <p>>> The transactions arose in ordinary course of business.</p>

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

Company Name	Relationship	Details of transactions	2016 (Baht'000)	Rationale and necessity
3. True Multimedia Co., Ltd. (TM) (The Company indirectly holds 91.08%)				
Charoen Pokphand Group of companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 91.08% in TM's equity interest.	Purchase :		
		>> Office rental and related services	9,316	>> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.
		>> Other services	1,661	>> The transactions arose in ordinary course of business.
4. True Internet Co., Ltd. (TI) (The Company directly holds 100.00%)				
Charoen Pokphand Group of companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 100.00% in TI's equity interest.	Sale :		
		>> Internet services	45,132	>> The transactions arose in ordinary course of business that TI proposed to the third party.
		Purchase :		
		>> Purchase of goods	50,682	>> The transactions arose in ordinary course of business.
		>> Office rental and related services	95,238	>> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally one year and allowed to be renewed.
		>> Internet server rental	147,327	>> The transactions arose in ordinary course of business.
		>> Service charge	43,439	>> The transactions arose in ordinary course of business.
		>> Collection agent fee	165,557	>> The transactions arose in ordinary course of business.
		>> Other services	10,546	>> The transactions arose in ordinary course of business.
5. True Life Plus Co., Ltd. (TLP) (The Company indirectly holds 100.00%)				
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TLP's equity interest.	Purchase :		
		>> Collection agent fee	7,464	>> The transactions arose in ordinary course of business.
		>> Office rental and other services	4,163	>> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

Company Name	Relationship	Details of transactions	2016 (Baht'000)	Rationale and necessity
6. Asia Wireless Communication Co., Ltd. (AWC) (The Company indirectly holds 100.00%)				
6.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in AWC's equity interest.	Purchase : >> Office rental and other services	28	>> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.
6.2 Digital Telecommunications Infrastructure Fund (DIF)	The Company indirectly holds 100.00% in AWC's equity interest and directly holds 28.11% in DIF's equity interest.	Sale : >> Network rental Purchase : >> Tower rental	615,435 1,221,555	>> The transactions arose in ordinary course of business that AWC proposed to the third party. >> The transactions arose in ordinary course of business.
7. True Visions Group of companies (TVG) (The Company indirectly holds 100.00%)				
7.1 True GS Co., Ltd. (TGS)	The Company indirectly holds 100.00% in TVG's equity interest and indirectly holds 46.80% in TGS's equity interest. These companies are related through directorships, i.e. Mr. Ongard Prapakamol, Mr. Anat Mekpaiboonvatana and Ms. Yupa Leewongcharoen.	Sale : >> Sale of equipment >> Advertising Purchase : >> Other service	1,375 65,708 860	>> The transactions arose in ordinary course of business that TVG proposed to the third party. >> The transactions arose in ordinary course of business that TVG proposed to the third party. >> The transactions arose in ordinary course of business.
7.2 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TVG's equity interest.	Sale : >> Activities sponsorship Purchase : >> Office rental and related services >> Vehicle rental	112,424 60,236 52,901	>> The transactions arose in ordinary course of business that TVG proposed to the third party. >> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. >> The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years.

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

Company Name	Relationship	Details of transactions	2016 (Baht'000)	Rationale and necessity
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TVG's equity interest.	Purchase : >> Collection agent fee >> IVR server rental >> System development >> Other services >> Purchase of goods	47,951 18,127 22,959 34,583 2,698	>> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business.
7.3 Transformation Film Co., Ltd. (TFF)	The Company indirectly holds 100.00% in TVG's equity interest and indirectly holds 28.57% in TFF's equity interest.	Sale : >> Advertising Purchase : >> Copyright	40 600	>> The transactions arose in ordinary course of business that TVG proposed to the third party. >> The transactions arose in ordinary course of business.
8. True Touch Co., Ltd. (TT) (The Company indirectly holds 100.00%)				
8.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TT's equity interest.	Sale : >> Call Center Purchase : >> Office rental and related services	6,902 10,759	>> The transactions arose in ordinary course of business that TT proposed to the third party. >> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.
8.2 True GS Co., Ltd. (TGS)	The Company indirectly holds 100.00% in TT's equity interest and indirectly holds 46.80% in TGS's equity interest.	Sale : >> Call Center	8,390	>> The transactions arose in ordinary course of business that TT proposed to the third party.
8.3 True Voice Co., Ltd. (TV)	The Company indirectly holds 100.00% in TT's equity interest and indirectly holds 55.00% in TV's equity interest.	Sale : >> Call Center Purchase : >> Other services	1,188 606	>> The transactions arose in ordinary course of business that TT proposed to the third party. >> The transactions arose in ordinary course of business.

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

Company Name	Relationship	Details of transactions	2016 (Baht'000)	Rationale and necessity
9. True International Gateway Co., Ltd. (TIG) (The Company directly holds 100.00%)				
9.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 100.00% in TIG's equity interest.	Sale : >> Internet services Purchase : >> Office rental and other services	5,879 39,505	>> The transactions arose in ordinary course of business that TIG proposed to the third party. >> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.
9.2 China Mobile Group of companies (CMG)	CMG is a major shareholder of the Company. The Company directly holds 100.00% in TIG's equity interest.	Purchase : >> Roaming	3,329	>> The transactions arose in ordinary course of business.
10. Real Move Co., Ltd. (RMV) (The Company indirectly holds 99.74%)				
10.1 True GS Co., Ltd. (TGS)	The Company indirectly holds 99.74% in RMV's equity interest and indirectly holds 46.80% in TGS's equity interest.	Sale : >> Mobile services	173	>> The transactions arose in ordinary course of business that RMV proposed to the third party.
10.2 True Voice Co., Ltd. (TV)	The Company indirectly holds 99.74% in RMV's equity interest and indirectly holds 55.00% in TV's equity interest.	Purchase : >> Other services	1,038	>> The transactions arose in ordinary course of business.
10.3 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 99.74% in RMV's equity interest.	Sale : >> Mobile services Purchase : >> Purchase of goods >> Office rental and related services >> Content >> Commission	37,180 85,180 81,810 33,489 1,080,236	>> The transactions arose in ordinary course of business that RMV proposed to the third party. >> The transactions arose in ordinary course of business. >> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. >> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business.

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

Company Name	Relationship	Details of transactions	2016 (Baht'000)	Rationale and necessity
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 99.74% in RMV's equity interest.	Purchase : >> Marketing >> Collection agent fee and cost of card >> Other service	424,208 480,813 135,233	>> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business.
11. True Internet Corporation Co., Ltd. (TICC) (The Company directly and indirectly holds 100.00%)				
11.1 True GS Co., Ltd. (TGS)	The Company directly holds 0.01% and indirectly holds 99.99% in TICC's equity interest, and indirectly holds 46.80% in TGS's equity interest. These companies are related through directorships, i.e. Ms. Yupa Leewongcharoen.	Sale : >> Digital Data Network services	757	>> The transactions arose in ordinary course of business that TICC proposed to the third party.
11.2 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 0.01% and indirectly holds 99.99% in TICC's equity interest.	Sale : >> Digital Data Network services >> Network equipment Purchase : >> Office rental and related services >> Vehicle rental and related services >> Repair and maintenance network >> Other services >> Network construction	218,129 100,525 124,601 206,054 56,457 49,837 121,183	>> The transactions arose in ordinary course of business that TICC proposed to the third party. >> The transactions arose in ordinary course of business that TICC proposed to the third party. >> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. >> The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years. >> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business.

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

Company Name	Relationship	Details of transactions	2016 (Baht'000)	Rationale and necessity
11.3 Digital Telecommunications Infrastructure Fund (DIF)	The Company directly holds 0.01% and indirectly holds 99.99% in TICC's equity interest and directly holds 28.11% in DIF's equity interest respectively.	Purchase : >> Rental of fiber link	2,082,250	>> The transactions arose in ordinary course of business.
12. KSC Commercial Internet Co., Ltd. (KSC) (The Company indirectly holds 56.83%)				
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 56.83% in KSC's equity interest.	Sale : >> Internet services Purchase : >> Internet services and other services	889 24,286	>> The transactions arose in ordinary course of business that KSC proposed to the third party. >> The transactions arose in ordinary course of business.
13. True Information Technology Co., Ltd. (TIT) (The Company indirectly holds 100.00%)				
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TIT's equity interest.	Sale : >> IT Outsource Purchase : >> Office rental and other services >> System development	27,020 42,008 149,586	>> The transactions arose in ordinary course of business that TIT proposed to the third party. >> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. >> The transactions arose in ordinary course of business.
14. BFKT (Thailand) Co., Ltd. (BFKT) (The Company indirectly holds 100.00%)				
14.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in BFKT's equity interest.	Purchase : >> Office rental and related services >> Vehicle rental and related services >> Internet server rental	1,600 6,740 15,637	>> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. >> The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years. >> The transactions arose in ordinary course of business.

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

Company Name	Relationship	Details of transactions	2016 (Baht'000)	Rationale and necessity
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in BFKT's equity interest.	Purchase : >> Other service >> Purchase of network equipment	3,962 40,089	>> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business.
14.2 Digital Telecommunications Infrastructure Fund (DIF)	The Company indirectly holds 100.00% in BFKT's equity interest and directly holds 28.11% in DIF's equity interest.	Purchase : >> Telecommunication infrastructure rental	1,227,587	>> The transactions arose in ordinary course of business.
15. True Icontent Co., Ltd. (TICT) (The Company indirectly holds 100.00%)				
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TICT's equity interest.	Sale : >> Sale of goods >> Content Purchase : >> Content	478 2,660 2,935	>> The transactions arose in ordinary course of business that TICT proposed to the third party. >> The transactions arose in ordinary course of business that TICT proposed to the third party. >> The transactions arose in ordinary course of business.
16. True Move H Universal Communication Co., Ltd. (TUC) (The Company directly holds 100.00%)				
16.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 100.00% in TUC's equity interest.	Sale : >> Mobile services Purchase : >> Office rental and related services >> Commission >> Collection agent fee >> Network service >> Other service	27,947 16,550 428,890 72,424 128,682 44,112	>> The transactions arose in ordinary course of business that TUC proposed to the third party. >> The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. >> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business. >> The transactions arose in ordinary course of business.

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

Company Name	Relationship	Details of transactions	2016 (Baht'000)	Rationale and necessity
16.2 China Mobile Group of companies (CMG)	CMG is a major shareholder of the Company. The Company directly holds 100.00% in TUC's equity interest.	Sale : >> Mobile services Purchase : >> Roaming	92,535 4,520	>> The transactions arose in ordinary course of business that TUC proposed to the third party. >> The transactions arose in ordinary course of business.
16.3 True GS Co., Ltd. (TGS)	The Company indirectly holds 100.00% in TUC's equity interest and indirectly holds 46.80% in TGS's equity interest.	Sale : >> Mobile services	581	>> The transactions arose in ordinary course of business that TUC proposed to the third party.
16.4 Digital Telecommunications Infrastructure Fund (DIF)	The Company indirectly holds 100.00% in TUC's equity interest and directly holds 28.11% in DIF's equity interest respectively.	Sale : >> Other services Purchase : >> Network rental	2,158 988,055	>> The transactions arose in ordinary course of business that TUC proposed to the third party. >> The transactions arose in ordinary course of business.
17. Telecom Asset Management Co., Ltd. (TAM) (The Company indirectly holds 100.00%)				
Digital Telecommunications Infrastructure Fund (DIF)	The Company indirectly holds 100.00% in TAM's equity interest and directly holds 28.11% in DIF's equity interest respectively.	Sale : >> Management and marketing services	50,219	>> The transactions arose in ordinary course of business that TAM proposed to the third party.

ii) Outstanding balances arising from sales of goods and services:

Change in outstanding balances arising from sales of goods and services are as follows:

(Unit : Thousand Baht)

Joint ventures, associates and related companies	31 December 2015	Increase (Decrease)	31 December 2016
Asia Infonet Co., Ltd.	120	(120)	-
BEC-TERO True Visions Co., Ltd.	43	-	43
True Voice Co., Ltd.	-	106	106
True GS Co., Ltd.	26,213	19,756	45,969
Digital Telecommunications Infrastructure Fund	4,429	36,194	40,623
Transformation Film Co., Ltd.	3,210	(3,210)	-
NEC Corporation (Thailand) Co., Ltd.	177	(177)	-
China Mobile Group of companies	75,132	82,114	157,246
CP Group of companies	8,695,742	(1,066,603)	7,629,139
Total	8,805,066	(931,940)	7,783,126

iii) Outstanding balances arising from purchases of goods and services:

Change in outstanding balances arising from purchases of goods and services are as follows:

(Unit : Thousand Baht)

Joint ventures, associates and related companies	31 December 2015	Increase (Decrease)	31 December 2016
Digital Telecommunications Infrastructure Fund	315,890	(811)	315,079
True Voice Co., Ltd.	20,913	(17,425)	3,488
Transformation Film Co., Ltd.	1,070	(1,070)	-
True GS Co., Ltd.	-	776	776
CP Group of companies	6,963,032	(3,543,918)	3,419,114
China Mobile Group of companies	18,628	2,531	21,159
NEC Corporation (Thailand) Co., Ltd.	1	(1)	-
Total	7,319,534	(3,559,918)	3,759,616

iv) Outstanding balances arising from loans to related parties

Change in outstanding balances arising from loans to related parties are as follows:

(Unit : Thousand Baht)

Related companies	31 December 2015	Increase (Decrease)	31 December 2016
CP Group of companies	147,000	-	147,000
Total	147,000	-	147,000

MEASURES AND PROCEDURES FOR APPROVING THE ENTERING INTO OF CONNECTED TRANSACTIONS

The Company has measures and procedures for approving the entering into connected transactions in compliance with legal obligations including the Rules and Regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand ("SET"). Based on, the said relevant laws and regulations the Company has clearly set up "Rules of Entering into Related Party Transactions", to be adhered and properly followed by the Board and employees. Under the Rules of Entering into Related Party Transaction, the measures and procedures for approving the entering into related party transactions are set forth as follows:

1. The following related party transactions can be approved by Management without any approval from the Company's Board of Directors and the Shareholders' Meeting under the purpose of clause 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551:

1.1 A transaction under general commercial terms

"general commercial term" mean a commercial term that a person of ordinary prudence would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person, including the commercial terms with the prices and the conditions or the gross margin as follows:

- (a) prices and conditions that the Company, or its subsidiary receives from or offers to general persons.
- (b) prices and conditions that a director, an executive or related person offers to general persons.
- (c) prices and conditions that the Company, or its subsidiaries can prove that it is same as operators in similar business offer to general persons.
- (d) in case the comparison of price of goods or services cannot be made because of the distinctiveness or specifically made to order, however the Company or its subsidiaries can prove that
 - >> the gross margin that the Company or its subsidiaries receive from the related party transaction is similar to the gross margin they receive from transactions with other parties; or
 - >> the gross margin that the director, executive or related person receive from the related party transaction is similar to the gross margin they receive from transactions with other parties; and there is no difference of condition and terms between them.

- 1.2 A loan in accordance with the regulations on the welfare of the staff members and employees;
- 1.3 A transaction in which the counterparty to the Company or both parties are;
 - (a) a subsidiary or subsidiaries whose shares are held by the Company in the amount not less than ninety percent of its total number of shares sold; or
 - (b) a subsidiary or subsidiaries whose shares are held by a director, an executive or a related person or which such person has interest, whether directly or indirectly, not more than the amount, rate or characteristic as specified in the notification of the Capital Market Supervisory Board;
- 1.4 A transaction in particular category or with value not more than the amount or rate as specified in the notification of the Capital Market Supervisory Board.
2. The following related party transactions require approval from the Company's Board of Directors but do not require approval from the Shareholders' Meeting
 - 2.1 A transaction under Clause 1 which requires an approval from the Company's Board of Directors under other internal procedures of the Company such as Procedure for Budget.
 - 2.2 A transaction under Clause 1.3 (b) or 1.4 that may be prescribed by the Capital Market Supervisory Board to require an approval from the Board of Directors, relevant notification shall be prescribed later.
3. Any related party transactions other than those under Clause 1 and 2 require approval from the Company's Board of Directors and the Shareholders' Meeting before entering into such transactions.

Policy for Future Connected Transactions

With regard to future connected transactions, the Company anticipates that there will be connected transactions in the ordinary course of business of the Company with its affiliates and that the Company shall proceed with such transactions in a transparent manner pursuant to the good corporate governance policy of the Company as well as all relevant regulations. Any connected transaction need to be approved by the Board of Directors will be proposed to the Audit Committee for consideration and review before being proposed to the Board of Directors for approval.

SIGNIFICANT FINANCIAL INFORMATION

SUMMARY OF FINANCIAL STATEMENTS

True Corporation Public Company Limited
Consolidated Statement of Financial Position
As at 31 December 2016, 2015, 2014 and 2013

							(Unit: Thousand Baht)	
	31 December 2016	Common Size (%)	(Restated) 31 December 2015	Common Size (%)	(Restated) 31 December 2014	Common Size (%)	(Restated) 31 December 2013 (Equivalent to 1 January 2014)	Common Size (%)
Assets								
Current assets								
Cash and cash equivalents	50,183,813	11.18	10,590,382	3.73	6,611,594	2.82	14,726,283	7.17
Restricted cash at bank	42,360	0.01	558,973	0.20	1,139,791	0.49	2,346,446	1.14
Short-term investments	502,312	0.11	2,837	0.01	1,039	0.00	101,832	0.05
Trade and other receivables	36,810,522	8.20	38,575,205	13.60	62,203,154	26.58	38,537,981	18.76
Short-term loans to related parties	147,000	0.03	147,000	0.05	147,000	0.06	147,000	0.07
Inventories, net	11,251,975	2.51	8,294,579	2.93	4,294,126	1.83	5,049,989	2.46
Income tax deducted at source	8,141,389	1.81	5,593,775	1.97	4,078,066	1.74	2,952,598	1.44
Claimable value added tax	5,509,182	1.23	7,001,952	2.47	4,694,752	2.01	3,207,269	1.56
Other current assets	10,089,763	2.25	7,042,763	2.48	4,273,796	1.83	2,989,198	1.46
Total current assets	122,678,316	27.33	77,807,466	27.44	87,443,318	37.36	70,058,596	34.11
Non-current assets								
Restricted cash at bank	27,696	0.01	47,962	0.02	50,690	0.02	100,043	0.05
Investments in associates and interests in joint ventures, net	18,174,762	4.05	14,994,504	5.29	16,428,665	7.02	16,138,797	7.85
General investments, net	325,211	0.07	325,211	0.11	322,772	0.14	313,798	0.15
Investment property, net	760,473	0.17	796,254	0.28	5,528	0.00	5,528	0.00
Property, plant and equipment, net	143,688,352	32.00	97,666,203	34.45	75,084,946	32.07	67,867,052	33.01
Goodwill, net	11,403,094	2.54	11,403,094	4.02	11,403,094	4.87	11,403,094	5.55
Intangible assets, net	139,745,965	31.12	70,030,982	24.70	34,164,079	14.59	33,853,686	16.47
Deferred income tax assets	5,375,822	1.20	5,663,351	2.00	5,820,859	2.49	4,778,565	2.32
Other non-current assets	6,780,769	1.51	4,789,501	1.69	3,378,962	1.44	1,012,819	0.49
Total non-current assets	326,282,144	72.67	205,717,062	72.56	146,659,595	62.64	135,473,382	65.89
Total assets	448,960,460	100.00	283,524,528	100.00	234,102,913	100.00	205,531,978	100.00
Liabilities and equity								
Current liabilities								
Short-term borrowings	37,571,675	8.37	29,927,210	10.55	2,977,088	1.27	3,742,847	1.82
Trade and other payables	98,514,397	21.95	66,291,665	23.38	101,227,357	43.24	88,234,986	42.93
Current portion of long-term borrowings	20,653,960	4.60	12,602,574	4.44	8,872,851	3.79	9,894,129	4.81
Income tax payable	5,629	0.00	29,099	0.01	270,764	0.12	878,854	0.43
Other current liabilities	4,098,147	0.91	3,375,821	1.20	4,158,955	1.78	4,439,348	2.16
Total current liabilities	160,843,808	35.83	112,226,369	39.58	117,507,015	50.20	107,190,164	52.15
Non-current liabilities								
Long-term borrowings	60,490,046	13.47	55,522,317	19.58	33,136,810	14.16	76,260,992	37.11
Deferred income tax liabilities	1,995,052	0.44	2,074,718	0.73	2,454,385	1.05	4,095,175	1.99
Liabilities under agreements and licences for operation	77,652,487	17.29	20,902,258	7.37	104,088	0.04	120,139	0.06
Employee benefits obligations	1,982,115	0.44	1,368,617	0.48	1,232,105	0.53	1,137,085	0.55
Other non-current liabilities	14,269,013	3.19	16,223,716	5.73	8,942,136	3.82	12,079,296	5.88
Total non-current liabilities	156,388,713	34.83	96,091,626	33.89	45,869,524	19.60	93,692,687	45.59
Total liabilities	317,232,521	70.66	208,317,995	73.47	163,376,539	69.80	200,882,851	97.74
Equity								
Share capital								
Authorised share capital								
Common shares	133,474,622		98,431,713		246,079,282		153,332,070	
Issued and fully paid-up share capital								
Common shares	133,472,781	29.73	98,431,713	34.72	246,079,282	105.08	145,302,153	70.62
Premium on share capital	26,384,073	5.88	-	-	11,432,046	4.88	11,432,046	5.56
Discount on share capital	-	-	-	-	(121,995,650)	(52.09)	(86,070,641)	(41.84)
Retained earnings (deficits)								
Appropriated-legal reserve	282,498	0.06	275,914	0.10	34,881	0.01	34,881	0.02
Retained earnings (deficits)	(27,287,553)	(6.08)	(22,362,876)	(7.89)	(63,639,150)	(27.17)	(64,933,087)	(31.56)
Other components of equity	(1,799,588)	(0.40)	(1,797,302)	(0.63)	(1,776,122)	(0.76)	(1,767,250)	(0.86)
Equity attributable to owners of the parent	131,052,211	29.19	74,547,449	26.30	70,135,287	29.95	3,998,102	1.94
Non-controlling interests	675,728	0.15	659,084	0.23	591,087	0.25	651,025	0.32
Total Equity	131,727,939	29.34	75,206,533	26.53	70,726,374	30.20	4,649,127	2.26
Total liabilities and equity	448,960,460	100.00	283,524,528	100.00	234,102,913	100.00	205,531,978	100.00

True Corporation Public Company Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2016, 2015, 2014 and 2013

(Unit: Thousand Baht)

	(Restated)							
	31 December	Common	31 December	Common	31 December	Common	31 December	Common
	2016	Size (%)	2015	Size (%)	2014	Size (%)	2013	Size (%)
Revenues								
Revenues from telephone and other services	107,892,009	86.51	95,941,928	80.77	86,985,629	79.65	79,136,772	82.25
Revenues from product sales	16,827,189	13.49	22,838,754	19.23	22,230,410	20.35	17,076,923	17.75
Total revenues	124,719,198	100.00	118,780,682	100.00	109,216,039	100.00	96,213,695	100.00
Costs								
Cost of providing services	78,276,315	62.76	71,046,486	59.81	66,068,220	60.49	59,466,601	61.81
Cost of sales	17,323,335	13.89	19,530,915	16.44	18,413,252	16.86	15,735,809	16.36
Total costs	95,599,650	76.65	90,577,401	76.25	84,481,472	77.35	75,202,410	78.17
Gross profit	29,119,548	23.35	28,203,281	23.75	24,734,567	22.65	21,011,285	21.83
Other income	1,830,084	1.47	2,754,733	2.32	2,223,482	2.04	8,662,466	9.00
Selling expenses	(17,213,181)	(13.80)	(13,161,603)	(11.08)	(10,119,226)	(9.27)	(11,420,067)	(11.87)
Administrative expenses	(12,397,980)	(9.94)	(10,434,045)	(8.78)	(11,692,962)	(10.71)	(11,217,976)	(11.66)
Other expenses	(2,098,095)	(1.68)	(595,980)	(0.50)	(5,573,728)	(5.10)	(4,918,582)	(5.11)
Share of results	4,608,618	3.70	1,413,979	1.19	6,220,469	5.70	62,298	0.06
Finance costs	(6,166,384)	(4.94)	(3,528,841)	(2.97)	(6,645,283)	(6.08)	(8,555,426)	(8.89)
(Loss) profit before income tax	(2,317,390)	(1.84)	4,651,524	3.93	(852,681)	(0.77)	(6,376,002)	(6.64)
Income tax (expense) revenue	(489,639)	(0.39)	(251,349)	(0.21)	2,095,810	1.92	(2,869,885)	(2.98)
(Loss) profit for the year	(2,807,029)	(2.23)	4,400,175	3.72	1,243,129	1.15	(9,245,887)	(9.62)
Other comprehensive income (expense):								
Item that will not be reclassified subsequently to profit or loss:								
Remeasurements of post-employment benefit obligations, net of tax	(463,317)	(0.37)	-	-	-	-	(152,764)	(0.16)
Item that will be reclassified subsequently to profit or loss:								
Exchange differences on translation	660	0.00	651	0.00	(2,599)	0.00	(101,858)	(0.11)
Total comprehensive (expense) income for the year	(3,269,686)	(2.60)	4,400,826	3.72	1,240,530	1.15	(9,500,509)	(9.89)
(Loss) profit for the year attributable to:								
Owners of the parent	(2,814,348)	100.26	4,411,522	100.26	1,293,937	104.09	(9,167,693)	99.15
Non-controlling interests	7,319	(0.26)	(11,347)	(0.26)	(50,808)	(4.09)	(78,194)	0.85
(Loss) profit for the year	(2,807,029)	100.00	4,400,175	100.00	1,243,129	100.00	(9,245,887)	100.00
Total comprehensive (expense) income for the year attributable to:								
Owners of the parent	(3,276,901)	100.22	4,412,173	100.26	1,291,338	104.10	(9,422,315)	99.18
Non-controlling interests	7,215	(0.22)	(11,347)	(0.26)	(50,808)	(4.10)	(78,194)	0.82
Total comprehensive (expense) income for the year	(3,269,686)	100.00	4,400,826	100.00	1,240,530	100.00	(9,500,509)	100.00
Basic earnings per share								
attributable to owners of the parent								
-Basic (Baht per share)	(0.09)		0.18		0.07		(0.62)	

True Corporation Public Company Limited**Consolidated Statement of Cash Flows**

For the year ended 31 December 2016, 2015, 2014 and 2013

			(Restated)	(Unit: Thousand Baht)
	31 December	31 December	31 December	31 December
	2016	2015	2014	2013
Cash flows from operating activities				
(Loss) profit before income tax	(2,317,390)	4,651,523	(852,681)	(6,376,002)
Adjustments for:				
Depreciation and amortisation	28,079,759	19,944,998	25,335,263	22,230,906
Interest income	(442,214)	(142,442)	(175,981)	(148,092)
Interest expense	4,671,533	2,897,206	5,101,284	7,578,957
Finance costs related to licences	1,422,346	194,121	220,371	340,362
Dividends received	-	(40,811)	(10,000)	-
Loss on disposals of property, plant and equipment	233,665	81,816	274,327	147,709
Doubtful accounts	1,795,453	1,523,409	1,243,536	1,143,824
Write off network equipment	14	80,628	410,184	-
Impairment charge of investment in joint venture and associate	946	-	-	8,719
Gain from disposal of infrastructure assets	-	(360,597)	-	(6,334,904)
Impairment charge of property, plant and equipment	-	-	-	2,056,089
Gain on reversal of right and liabilities under agreement for operation	-	-	-	(791,180)
Other operating assets and liabilities written-off	-	-	-	110
Loss (gain) on sale investment in subsidiaries, joint venture and associate	-	-	15,806	(857,569)
Loss from liquidation of associate	-	-	6,073	23,035
Loss (gain) from dissolution of investment in subsidiary	24,881	-	-	(104,480)
Reversal of provision for CAT's call option	(1,186,705)	(1,176,194)	(1,162,471)	-
Increase in retirement benefits obligations	198,192	144,709	95,020	136,731
Unrealised loss (gain) on foreign exchange	388,807	(189,877)	(223,001)	439,978
Realised loss (gain) on foreign exchange related to repayment of borrowings	17,853	3,818	6,162	(130,304)
Gain on settlement of DPN obligation	-	-	(350,932)	(145,283)
Gain on termination of finance lease agreement	-	-	-	(54,910)
Share of results	(4,645,726)	(1,443,439)	(6,220,469)	(62,298)
Changes in operating assets and liabilities				
- Trade and other receivables	36,155	21,920,565	(25,726,991)	(12,940,393)
- Short-term investments	(23)	(1,777)	100,317	(85,214)
- Inventories	(2,957,396)	(4,004,044)	764,512	(2,854,118)
- Other current assets	(10,994,902)	(7,566,225)	(5,346,556)	(278,922)
- Film and program rights	(2,081,748)	(2,670,241)	(2,390,759)	(1,441,795)
- Cars for lease	-	-	-	113,317
- Other non-current assets	(256,476)	(205,090)	35,381	(257,998)
- Trade and other payables	642,065	(36,216,030)	13,203,277	29,584,190
- Other current liabilities	726,524	(784,308)	(719,383)	1,539,787
- Other non-current liabilities	(232,271)	10,726,056	(167,599)	(200,721)
Cash generated from operations	13,123,342	7,367,774	3,464,690	32,279,531
Add : Interest received	406,116	143,673	158,082	140,727
Income tax received	1,750,800	712,333	115,596	-
Less: Interest paid	(4,026,291)	(1,947,511)	(5,103,260)	(7,201,782)
Income tax paid	(3,157,837)	(2,943,219)	(2,278,912)	(2,289,021)
Net cash received from (used in) operating activities	8,096,130	3,333,050	(3,643,804)	22,929,455
Cash flows from investing activities				
Withdrawal (deposit) in restricted cash	536,878	583,546	1,256,009	(1,984,739)
(Deposit) withdrawal in short-term investments	(499,452)	(20)	476	346,537
Loans made to related parties	(300)	-	-	(3,750)
Investments in associates and joint ventures	(92,345)	(25,000)	(36,192)	(19,355,743)
Proceeds from sale of investment in associate, net of cash and cash equivalent	-	-	3,193,423	3,203,157
Investment in other companies	-	(2,439)	(8,974)	-
Acquisition of property, plant and equipment	(33,259,990)	(27,942,984)	(22,519,912)	(25,058,085)
Acquisition of intangible assets	(13,725,453)	(24,714,729)	(4,940,550)	(816,881)
Repayment received from loan to related parties	300	-	-	-
Reclassification of investment	-	(46,862)	-	-
Proceeds from liquidation of associate	-	-	7,230	100,000
Proceeds from disposals of property, plant and equipment and intangible assets	71,519	838,037	256,333	40,432,859
Dividends received	1,556,866	1,556,857	1,355,746	55,801
Net cash used in investing activities	(45,411,977)	(49,753,594)	(21,436,411)	(3,080,844)
Cash flows from financing activities				
Issues of common shares	59,948,800	-	64,852,120	187,186
Subscription of newly issued shares in subsidiary by non-controlling interests	14,154	90,000	15,989	-
Dividends paid to non-controlling interest	-	-	-	(2,591)
Addition investment in subsidiary by purchasing shares from non-controlling interest	(7,671)	(12)	(31,392)	-
Proceeds from short-term borrowings, net of cash paid for debt issuance cost	77,191,638	57,338,838	11,210,303	30,182,538
Proceeds from borrowings, net of cash paid for debt issuance cost	22,950,216	33,134,012	14,242,603	32,550,467
Repayments to short-term borrowings	(69,789,700)	(30,510,000)	(12,003,840)	(31,535,786)
Repayments to borrowings	(13,177,486)	(9,699,070)	(61,307,112)	(42,611,917)
Dividends paid	(164,190)	-	-	-
Net cash received from (used in) financing activities	76,965,761	50,353,768	16,978,671	(11,230,103)
Net increase (decrease) in cash and cash equivalents	39,649,914	3,933,224	(8,101,544)	8,618,508
Opening balance	10,590,382	6,611,594	14,726,283	6,103,167
Effects of exchange rate changes	(56,483)	45,564	(13,145)	4,608
Closing balance	50,183,813	10,590,382	6,611,594	14,726,283

AUDITOR

The auditors appointed by the Board of Directors to be the Company's auditor in order to perform the audit of the Company and consolidated financial statements during the past three years were as follows:

FINANCIAL STATEMENT FOR THE YEAR ENDED	THE COMPANY'S AUDITORS	AUDITOR'S NAME	CERTIFIED PUBLIC ACCOUNT (THAILAND) ID.
31 December 2016	PricewaterhouseCoopers ABAS Limited	Mr. Kajornkiet Aroonpirodkul	3445
31 December 2015	PricewaterhouseCoopers ABAS Limited	Mr. Kajornkiet Aroonpirodkul	3445
31 December 2014	PricewaterhouseCoopers ABAS Limited	Mr. Kajornkiet Aroonpirodkul	3445

According to the three (3) years' Reports of Certified Public Accountant (2014-2016), the Company's auditors had expressed his/her unqualified opinions on the financial statement.

PricewaterhouseCoopers ABAS Limited and auditors have no any relationship or interests with the Company, subsidiaries, management, major shareholders including their related persons, which would affect to the independence of their performing.

FINANCIAL HIGHLIGHTS AND RATIOS

		2016	2015 (Restated)	2014 (Restated)
Consolidated Financial Results				
Service revenues ^{1/}	Million Baht	88,058	74,803	67,497
Total revenues	Million Baht	124,719	118,781	109,216
EBITDA	Million Baht	25,071	22,109	20,050
EBITDA (excl. gain on 6,000 towers transferred to DIF)	Million Baht	25,071	18,811	16,792
Consolidated Balance Sheets				
Total assets	Million Baht	448,960	283,525	234,103
Total liabilities	Million Baht	317,233	208,318	163,377
Total shareholders' equity	Million Baht	131,728	75,207	70,726
Liquidity Ratios				
Current Ratio	Times	0.76	0.69	0.74
Quick Ratio-Accrual Basis	Times	0.52	0.39	0.57
Activity Ratios ^{2/}				
Receivable Turnover Ratio	Times	3.80	2.46	2.21
Average Collection Period	Days	95	146	163
Inventory Turnover Ratio	Times	2.60	3.50	3.52
Average Inventory Turnover Period	Days	139	103	102
Payable Turnover Ratio	Times	1.82	2.26	2.32
Average Payment Period	Days	198	160	155
Cash Cycle	Days	35	89	110
Leverage Ratios				
Net Debt to EBITDA ^{3/}	Times	2.45	3.67	1.61
Net Debt to Equity ^{3/}	Times	0.47	1.08	0.46
Total Liabilities to Total Equity Ratio	Times	2.41	2.77	2.31
Interest Coverage Ratio ^{4/}	Times	5.25	7.27	3.63

		2016	2015 (Restated)	2014 (Restated)
Profitability Ratios				
Gross Profit Margin	%	23.35%	23.74%	22.65%
Net Profit Margin	%	-2.26%	3.71%	1.18%
Return on Equity ^{5/}	%	-2.74%	6.10%	3.49%
Growth Ratios				
Total Assets	%	58.35%	21.11%	13.90%
Total Liabilities	%	52.28%	27.51%	-18.67%
Total Revenues	%	5.00%	8.76%	13.51%
Total Operating Expenses ^{6/}	%	9.67%	7.41%	8.64%
Per Share Data and Others				
Book value per share	Baht	3.95	3.06	2.87
Share price at the end of period	Baht	7.15	6.70	11.10
No. of outstanding shares at year end	Million Shares	33,368	24,608	24,608
Market capitalization	Million Baht	238,583	164,873	273,148

Remark:

^{1/} Revenues from telephone and other services excluding interconnection (IC) revenue and network rental revenue^{2/} Activity ratios exclude contribution from assets sold to DIF to reflect cash cycle of the Company^{3/} Debt comprises short-term and long-term borrowings excluding liabilities under finance leases^{4/} Interest coverage ratio is derived from EBITDA/ (interest expenses and other financial fee) during the period

By calculating Interest coverage ratio using information from cash flows statement (Net cash flows generated from operating activities + interest paid + income tax paid)/ interest paid), this ratio was 3.80 times in 2016, 4.20 times in 2015 and 0.73 times in 2014

^{5/} Return on Equity = Net profit to shareholders of the parent company / Average equity attributable to owners of the parent^{6/} Total Operating Expenses include Costs of Providing Services, Cost of Sales and Selling and Administrative Expenses

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

TrueMove H became the number two mobile operator by total number of subscriber in 2016, a year that marked a significant milestone for the Thai Telecommunications industry and True Group, particularly the cellular segment, which progressed toward greater 4G adoption and digitization after the 1800MHz and 900MHz spectrum auctions held in late 2015. TrueMove H's service revenue growth of 28.4% YoY pushed the industry's cellular service revenue up 5.4% in 2016 compared to an average of 3.8% for the previous three years. This strong result was achieved despite competitive intensity where operators actively rolled out 4G networks, highlighted speeds and enticed customers onto 4G and postpaid platforms through value for money device-bundling campaigns with targeted subsidization. TrueMove H also aggressively expanded and densified its 4.5G/4G, 3G and 2G networks to cover 98% of the Thai population, penetrating village level in all 77 provinces of Thailand by combining the strengths of its high-band and low-band frequencies. TrueMove H leads the industry with its superior 4.5G services, leveraging on 3CA (Carrier Aggregation) and 4X4 MIMO technologies with the largest number of 4T4R base stations in the world, certified by Global Mobile Suppliers Association, and has launched the 4G Plus campaign that provides consumers with unlimited 4G speeds and usage. These offerings received overwhelming response from the market, which has helped push its revenue, EBITDA and subscriber growth significantly in 2016.

TrueOnline's fixed broadband business continued to deliver solid performance proven with significant net additions and double-digit consumer broadband revenue growth. The business has strengthened its leadership position in the face of heightened competition, with operators offering speed and technology upgrades as well as short-period discounts. TrueOnline's broadband network currently reaches approximately 10 million homes passed nationwide. Meanwhile, TrueVisions' comprehensive range of international and local quality content continues to greatly complement the Group's convergence strategy, further accelerating growth while deepening customers' loyalty to True.

True Group reported a consolidated net loss to shareholders of the parent company of Baht 2,814.3 million in 2016, representing a change of greater than 20% YoY, which is summarized as below:

True Group's **consolidated service revenue** expanded 17.7% YoY to Baht 88.1 billion in 2016 due mainly to the tremendous growth of the cellular business in both prepaid and postpaid segments. Consumer broadband maintained solid double-digit revenue growth at 13.6% YoY. These resulted in an **EBITDA** upsurge of 33.3% YoY to Baht 25.1 billion, excluding the 2015 gain from transferring towers to the Digital Telecommunications Infrastructure Fund (DIF) for a meaningful performance comparison.

True Group reported a **net loss of the parent company** totaling 2,814.3 million in 2016, resulting mainly from expenses related to nationwide network and service expansion to accelerate the Group's 4G and fiber footprint, to spectrum licenses amortization and to content acquisition.

Looking forward to 2017, True Group targets growth in consolidated service revenue in the high-teens. Such solid revenue growth, together with the Group's aggressive implementation of cost control initiatives, should turn its

bottom line into a profit this year. True Group has, meanwhile, budgeted approximately Baht 48 billion of cash CAPEX for 2017, excluding license fee payment.

True Group intends to further build on the positive momentum from 2016 and to strengthen its position as the genuine convergence leader by focusing on enhancement of its networks and services, expansion of distinct convergence offerings, digital and innovative solutions while continuing to adapt to changes in consumers' behavior and advances in technology through data analytics and leveraging its accumulating expertise in Internet of Things (IoT). Taking these steps, combined with the Group's determination in increasing productivity, will further strengthen True's competitiveness and financial health, paving the way for its sustainable growth and profitability even in the face of intense competition.

CONSOLIDATED RESULTS OF OPERATIONS - NORMALIZED BASIS

(Baht in millions unless otherwise indicated)	4Q16	3Q16	4Q15	% Change		2016	2015	% Change
				Q-o-Q	Y-o-Y			Y-o-Y
Revenues								
Revenues from providing services	28,120	27,848	25,143	1.0	11.8	107,892	95,942	12.5
- Interconnection revenue	1,382	1,343	1,133	2.9	21.9	5,306	4,753	11.6
- Network rental revenue	3,939	3,939	4,249	(0.0)	(7.3)	14,527	16,386	(11.3)
- Service revenue	22,800	22,566	19,761	1.0	15.4	88,058	74,803	17.7
Revenues from product sales	6,039	2,946	7,408	105.0	(18.5)	16,827	22,839	(26.3)
Total revenues	34,159	30,794	32,551	10.9	4.9	124,719	118,781	5.0
Operating expenses								
Total cost of providing services	19,588	21,403	19,523	(8.5)	0.3	78,276	71,046	10.2
Regulatory costs	273	1,093	934	(75.0)	(70.8)	3,422	2,727	25.5
Interconnection cost	1,454	1,428	1,284	1.8	13.2	5,802	5,511	5.3
Cost of providing services exclude IC	13,725	13,237	13,633	3.7	0.7	51,443	49,881	3.1
Depreciation and amortization	4,136	5,645	3,672	(26.7)	12.6	17,609	12,927	36.2
Cost of sales	5,870	3,311	6,708	77.3	(12.5)	17,323	19,531	(11.3)
Selling and administrative expenses	8,548	7,518	5,187	13.7	64.8	29,611	23,596	25.5
Depreciation and amortization	2,367	2,232	1,238	6.1	91.3	7,954	4,574	73.9
Cash SG&A	6,180	5,286	3,949	16.9	56.5	21,657	19,021	13.9
Total operating expenses	34,006	32,231	31,418	5.5	8.2	125,211	114,173	9.7
EBITDA	6,657	6,439	6,042	3.4	10.2	25,071	22,109	13.4
EBITDA (excl. gain on 6,000 towers transferred to DIF)	6,657	6,439	5,246	3.4	26.9	25,071	18,811	33.3
Depreciation and amortization	(6,503)	(7,876)	(4,910)	(17.4)	32.5	(25,563)	(17,502)	46.1
Operating profit	154	(1,437)	1,133	NM	(86.4)	(492)	4,608	NM
Interest income	145	199	54	(26.9)	167.4	442	142	210.5
Interest expense	(1,287)	(1,115)	(912)	15.3	41.1	(4,672)	(2,897)	61.2
Other financial fees	774	(330)	(53)	NM	NM	(107)	(143)	(25.1)
Financial cost related to license	(622)	(537)	(76)	15.8	NM	(1,422)	(194)	NM
Income tax (expense) revenue	(390)	94	(224)	NM	73.7	(490)	(251)	94.8
Current tax	124	(17)	(212)	NM	NM	(260)	(474)	(45.2)
Deferred income tax	(514)	111	(12)	NM	NM	(230)	222	NM
Share of results in subsidiaries and associates	479	432	374	11.0	28.2	4,609	1,414	225.9
(Income) loss attributable to non-controlling interests	11	(26)	35	NM	(69.1)	(7)	11	NM
Net income (loss) from continuing operations including share of results in associates (NIOGO)	(735)	(2,721)	330	73.0	NM	(2,138)	2,690	NM
Non recurring items	(923)	(33)	68	NM	NM	(676)	1,721	NM
Foreign exchange gain (loss)	354	(285)	(110)	NM	NM	(156)	498	NM
Net gain from transferring the right of revenue of 338 towers to DIF	-	-	-	-	-	-	361	(100.0)
Other (expense) income	(1,276)	253	178	NM	NM	(520)	863	NM
Net profit (loss) to equity holders of the Company	(1,658)	(2,754)	398	39.8	NM	(2,814)	4,412	NM
Non-controlling interests	(11)	26	(35)	NM	69.1	7	(11)	NM
Net profit (loss) for the year	(1,669)	(2,728)	363	38.8	NM	(2,807)	4,400	NM

Remark: 2016 non-recurring items partly comprised foreign exchange losses totaling Baht 156 million and expenses of approximately Baht 306 million related to the settlement on the HSPA agreement (Please see more detail in the note to financial statements section 38.3).

Referring to the auditor's opinion regarding uncertainties on the outstanding litigations and commercial agreements of which details are not finalized (see more detail in the note to financial statements sections 38.3, 39 and 40.2), the ultimate outcomes cannot be determined at present and management strongly believes that they will not have a material impact upon the Group's financial performance or operations.

CONSOLIDATED RESULTS OF OPERATIONS

- >> True Group's **consolidated service revenue** achieved the highest growth rate in the past 10 years at 17.7% YoY, to reach Baht 88.1 billion as targeted for 2016, mainly due to the spectacular growth of the cellular segment which outgrew its peers throughout the year. Accelerating non-voice revenues along with an expanding subscriber base for both prepaid and postpaid segments were the key growth drivers.
- >> **Product sales** were Baht 16.8 billion, decreasing 26.3% from the previous year's high base with gain from transferring new towers to DIF; excluding this, product sales softened 1.0% YoY due to a greater variety of affordable 4G and 3G handsets as well as valued-driven device-bundling campaigns.
- >> **Regulatory costs** increased 25.5% YoY to Baht 3.4 billion driven partly by solid revenue growth of the cellular business, offsetting lower revenue sharing of the traditional fixed-line phone service.
- >> **Core operating expense** (comprising other cost of providing services and other S&A) increased 6.1% YoY to Baht 73.1 billion due to higher expenses related to aggressive network expansion particularly 4G and fiber rollout, content and personnel.
- >> **EBITDA** expanded 33.3% YoY to Baht 25.1 billion, excluding the 2015 gain from transferring towers to DIF for a meaningful performance comparison, due to significant revenue growth as the Group achieved more scale.
- >> The 900MHz and 1800MHz spectrum licenses amortization as well as the Group's ongoing network and service expansion drove **depreciation and amortization expenses** to Baht 25.6 billion.
- >> **Interest expenses** increased 61.2% YoY to Baht 4.7 billion driven by additional borrowings to support business expansion and license fee payments.
- >> **Income tax expense** increased from the previous year to Baht 490 million in 2016 mainly due to a lower setting of deferred tax asset from the Group's tax loss.
- >> Expenses related to nationwide network and service expansion, spectrum licenses, content and interest pressured True Group's bottom line to report a **net loss to shareholders of the parent company** totaling Baht 2.8 billion in 2016.

RESULTS BY SEGMENT (YTD)

	TrueMove H			TrueOnline			TrueVisions			Eliminations		Consolidated		
	2016	2015	% Change	2016	2015	% Change	2016	2015	% Change	2016	2015	2016	2015	% Change
(Baht in millions unless otherwise indicated)														
Revenues														
Revenues from providing services	77,253	65,825	17.4	28,038	27,166	3.2	12,197	11,981	1.8	(9,596)	(9,030)	107,892	95,942	12.5
- Interconnection revenue	5,311	4,755	11.7	-	-	-	-	-	-	(5)	(2)	5,306	4,753	11.6
- Network rental revenue	14,086	16,018	(12.1)	442	368	20.0	-	-	-	-	-	14,527	16,386	(11.3)
- Service Revenue	57,856	45,052	28.4	27,596	26,798	1.8	12,197	11,981	1.8	(9,591)	(9,028)	88,058	74,803	17.7
Revenues from product sales	16,623	16,846	(1.3)	262	6,038	(95.7)	209	213	(1.9)	(267)	(259)	16,827	22,839	(26.3)
Total revenues	93,876	82,671	13.6	28,300	33,205	(14.8)	12,406	12,194	1.7	(9,863)	(9,289)	124,719	118,781	5.0
Operating expenses														
Total cost of providing services	53,285	46,632	14.3	18,459	17,876	3.3	11,695	11,374	2.8	(5,163)	(4,835)	78,276	71,046	10.2
Regulatory costs	1,790	422	324.4	1,797	1,900	(5.4)	(164)	406	NM	-	-	3,422	2,727	25.5
Interconnection cost	5,807	5,517	5.3	-	-	-	-	-	-	(5)	(6)	5,802	5,511	5.3
Cost of providing services exclude IC	36,480	35,587	2.5	10,523	10,165	3.5	9,362	8,811	6.3	(4,922)	(4,681)	51,443	49,881	3.1
Depreciation and amortization	9,208	5,107	80.3	6,139	5,811	5.6	2,498	2,157	15.8	(236)	(148)	17,609	12,927	36.2
Cost of sales	17,225	16,829	2.4	228	2,810	(91.9)	199	198	0.5	(329)	(306)	17,323	19,531	(11.3)
Selling and administrative expenses	24,611	18,501	33.0	7,315	6,999	4.5	1,802	1,953	(7.8)	(4,117)	(3,857)	29,611	23,596	25.5
Depreciation and amortization	7,577	4,308	75.9	297	192	54.9	111	76	46.8	(32)	-	7,954	4,574	73.9
Cash SG&A	17,034	14,193	20.0	7,018	6,807	3.1	1,691	1,877	(9.9)	(4,085)	(3,856)	21,657	19,021	13.9
Total operating expenses	95,122	81,962	16.1	26,002	27,685	(6.1)	13,696	13,525	1.3	(9,609)	(8,998)	125,211	114,173	9.7
EBITDA	15,540	10,123	53.5	8,735	11,523	(24.2)	1,319	902	46.2	(522)	(439)	25,071	22,109	13.4
EBITDA (excl. gain on 6,000 towers transferred to DIF)	-	-	-	8,735	8,225	6.2	-	-	-	-	-	25,071	18,811	33.3
Depreciation and amortization	(16,785)	(9,414)	78.3	(6,437)	(6,003)	7.2	(2,609)	(2,233)	16.8	268	149	(25,563)	(17,502)	46.1
Operating profit	(1,245)	709	NM	2,298	5,520	(58.4)	(1,290)	(1,331)	3.1	(254)	(290)	(492)	4,608	NM
Interest income	310	53	483.0	518	708	(26.9)	11	6	82.7	(397)	(625)	442	142	210.5
Interest expense	(2,363)	(976)	142.1	(2,465)	(2,262)	9.0	(240)	(283)	(15.4)	397	625	(4,672)	(2,897)	61.2
Other financial fees	(35)	(82)	(57.5)	(72)	(61)	18.0	-	-	-	-	-	(107)	(143)	(25.1)
Financial cost related to license	(1,361)	(118)	NM	-	-	-	-	(62)	(77)	-	-	(1,422)	(194)	NM
Income tax (expense) revenue	65	(11)	NM	(802)	(294)	172.6	247	54	359.6	-	-	(490)	(251)	94.8
Current tax	(99)	(341)	(71.1)	(153)	(83)	82.8	(8)	(49)	(83.2)	-	-	(260)	(474)	(45.2)
Deferred income tax	164	330	(50.3)	(649)	(211)	(208.2)	255	102	149.0	-	-	(230)	222	NM
Share of results in subsidiaries and associates	-	-	-	4,664	1,442	223.5	(55)	(28)	(99.7)	-	-	4,609	1,414	225.9
(Income) loss attributable to non-controlling interests	(88)	35	NM	(10)	(17)	43.4	24	10	131.4	67	(16)	(7)	11	NM
Net income (loss) from continuing operations														
including share of results in associates (NIOGO)	(4,716)	(389)	NM	4,131	5,034	(17.9)	(1,365)	(1,648)	17.2	(188)	(307)	(2,138)	2,690	NM
Non recurring items	(250)	1,506	NM	(437)	220	NM	14	9	64.8	(3)	(14)	(676)	1,721	NM
Foreign exchange gain (loss)	(56)	437	NM	(132)	(5)	NM	33	66	(50.5)	-	-	(156)	498	NM
Net gain from transferring the right of revenue of 338 towers to DIF	-	-	-	-	361	(100.0)	-	-	-	-	-	-	361	(100.0)
Other (expense) income	(194)	1,069	NM	(305)	(135)	125.8	(19)	(58)	67.6	(3)	(14)	(520)	863	NM
Net profit (loss) to equity holders of the Company	(4,966)	1,117	NM	3,694	5,255	(29.7)	(1,351)	(1,640)	17.6	(191)	(321)	(2,814)	4,412	NM
Non-controlling interests	88	(35)	NM	10	17	(43.4)	(24)	(10)	(131.4)	(67)	16	7	(11)	NM
Net profit (loss) for the year	(4,878)	1,082	NM	3,704	5,272	(29.8)	(1,375)	(1,650)	16.7	(258)	(304)	(2,807)	4,400	NM

RESULTS BY SEGMENT (Y-O-Y)

	TrueMove H			TrueOnline			TrueVisions			Eliminations		Consolidated		
	4Q16	4Q15	% Change	4Q16	4Q15	% Change	4Q16	4Q15	% Change	4Q16	4Q15	4Q16	4Q15	% Change
(Baht in millions unless otherwise indicated)														
Revenues														
Revenues from providing services	20,776	17,516	18.6	6,925	6,789	2.0	3,002	2,762	8.7	(2,583)	(1,924)	28,120	25,143	11.8
- Interconnection revenue	1,383	1,134	21.9	-	-	-	-	-	-	(1)	(1)	1,382	1,133	21.9
- Network rental revenue	3,829	4,138	(7.5)	110	110	0.1	-	-	-	-	-	3,939	4,249	(7.3)
- Service Revenue	15,565	12,244	27.1	6,815	6,679	2.0	3,002	2,762	8.7	(2,582)	(1,923)	22,800	19,761	15.4
Revenues from product sales	6,000	6,188	(3.0)	38	1,231	(96.9)	2	9	(81.9)	-	(19)	6,039	7,408	(18.5)
Total revenues	26,777	23,704	13.0	6,963	8,020	(13.2)	3,003	2,770	8.4	(2,584)	(1,943)	34,159	32,551	4.9
Operating expenses														
Total cost of providing services	14,069	12,149	15.8	4,471	5,363	(16.6)	2,556	3,032	(15.7)	(1,508)	(1,020)	19,588	19,523	0.3
Regulatory costs	398	371	7.3	352	476	(26.1)	(477)	88	NM	-	-	273	934	(70.8)
Interconnection cost	1,455	1,286	13.2	-	-	-	-	-	-	(1)	(1)	1,454	1,284	13.2
Cost of providing services exclude IC	10,003	9,004	11.1	2,788	3,242	(14.0)	2,371	2,362	0.4	(1,437)	(975)	13,725	13,633	0.7
Depreciation and amortization	2,213	1,489	48.6	1,331	1,645	(19.1)	662	582	13.8	(70)	(44)	4,136	3,672	12.6
Cost of sales	5,859	6,258	(6.4)	33	446	(92.7)	1	8	(85.5)	(24)	(5)	5,870	6,708	(12.5)
Selling and administrative expenses	7,061	4,270	65.3	2,024	1,276	58.7	500	492	1.6	(1,036)	(851)	8,548	5,187	64.8
Depreciation and amortization	2,250	1,254	79.5	94	(35)	NM	43	19	125.2	(20)	-	2,367	1,238	91.3
Cash SG&A	4,810	3,017	59.5	1,930	1,311	47.3	456	473	(3.5)	(1,016)	(851)	6,180	3,949	56.5
Total operating expenses	26,989	22,678	19.0	6,528	7,084	(7.9)	3,057	3,532	(13.4)	(2,568)	(1,876)	34,006	31,418	8.2
EBITDA	4,251	3,769	12.8	1,860	2,546	(26.9)	652	(161)	NM	(106)	(112)	6,657	6,042	10.2
EBITDA (excl. gain on 6,000 towers transferred to DIF)	-	-	-	1,860	1,749	6.4	-	-	-	-	-	6,657	5,246	26.9
Depreciation and amortization	(4,463)	(2,743)	62.7	(1,425)	(1,610)	(11.5)	(706)	(601)	17.4	90	44	(6,503)	(4,910)	32.5
Operating profit	(212)	1,026	NM	436	936	(53.5)	(54)	(762)	92.9	(15)	(68)	154	1,133	(86.4)
Interest income	103	20	417.3	50	172	(71.1)	4	2	116.0	(12)	(139)	145	54	167.4
Interest expense	(681)	(385)	76.9	(563)	(584)	(3.7)	(55)	(82)	(32.9)	12	139	(1,287)	(912)	41.1
Other financial fees	800	(38)	NM	(26)	(16)	69.1	-	-	-	-	-	774	(53)	NM
Financial cost related to license	(608)	(58)	NM	-	-	-	(14)	(18)	(23.4)	-	-	(62)	(76)	NM
Income tax (expense) revenue	(24)	(375)	(93.7)	(366)	162	NM	(1)	(12)	(95.4)	-	-	(390)	(224)	73.7
Current tax	(73)	(233)	(68.8)	35	(19)	NM	161	39	314.6	-	-	124	(212)	NM
Deferred income tax	49	(142)	NM	(401)	181	NM	(162)	(51)	(217.2)	-	-	(514)	(12)	NM
Share of results in subsidiaries and associates	-	-	-	489	379	29.0	(10)	(6)	(83.9)	-	-	479	374	28.2
(Income) loss attributable to non-controlling interests	(33)	12	NM	(2)	(4)	38.8	22	33	(33.7)	25	(7)	11	35	(69.1)
Net income (loss) from continuing operations														
including share of results in associates (NIOGO)	(655)	203	NM	17	1,045	(98.3)	(107)	(844)	87.3	9	(74)	(735)	330	NM
Non recurring items	(701)	219	NM	(307)	(92)	(234.0)	87	(57)	NM	(1)	(2)	(923)	68	NM
Foreign exchange gain (loss)	389	(109)	NM	(129)	44	NM	93	(45)	NM	-	-	354	(110)	NM
Other (expense) income	(1,091)	328	NM	(178)	(136)	(31.1)	(7)	(12)	45.0	(1)	(2)	(1,276)	178	NM
Net profit (loss) to equity holders of the Company	(1,356)	422	NM	(290)	953	NM	(21)	(902)	97.7	8	(76)	(1,658)	398	NM
Non-controlling interests	33	(12)	NM	2	4	(38.8)	(22)	(33)	33.7	(25)	7	(11)	(35)	69.1
Net profit (loss) for the year	(1,322)	410	NM	(287)	957	NM	(43)	(934)	95.4	(16)	(69)	(1,669)	363	NM

RESULTS BY SEGMENT (Q-O-Q)

	TrueMove H			TrueOnline			TrueVisions			Eliminations			Consolidated		
	4Q16	3Q16	% Change	4Q16	3Q16	% Change	4Q16	3Q16	% Change	4Q16	3Q16	% Change	4Q16	3Q16	% Change
(Baht in millions unless otherwise indicated)															
Revenues															
Revenues from providing services	20,776	20,039	3.7	6,925	6,805	1.8	3,002	3,179	(5.6)	(2,583)	(2,175)		28,120	27,848	1.0
- Interconnection revenue	1,383	1,344	2.9	-	-	-	-	-	-	(1)	(1)		1,382	1,343	2.9
- Network rental revenue	3,829	3,829	(0.0)	110	110	0.0	-	-	-	-	-		3,939	3,939	(0.0)
- Service Revenue	15,565	14,866	4.7	6,815	6,694	1.8	3,002	3,179	(5.6)	(2,582)	(2,173)		22,800	22,566	1.0
Revenues from product sales	6,000	2,928	104.9	38	61	(38.3)	2	126	(98.7)	-	(169)		6,039	2,946	105.0
Total revenues	26,777	22,967	16.6	6,963	6,866	1.4	3,003	3,304	(9.1)	(2,584)	(2,343)		34,159	30,794	10.9
Operating expenses															
Total cost of providing services	14,069	14,430	(2.5)	4,471	4,766	(6.2)	2,556	3,159	(19.1)	(1,508)	(952)		19,588	21,403	(8.5)
Regulatory costs	398	505	(21.1)	352	478	(26.4)	(477)	110	NM	-	-		273	1,093	(75.0)
Interconnection cost	1,455	1,429	1.8	-	-	-	-	-	-	(1)	(1)		1,454	1,428	1.8
Cost of providing services exclude IC	10,003	9,116	9.7	2,788	2,599	7.3	2,371	2,415	(1.8)	(1,437)	(893)		13,725	13,237	3.7
Depreciation and amortization	2,213	3,380	(34.5)	1,331	1,689	(21.2)	662	634	4.5	(70)	(58)		4,136	5,645	(26.7)
Cost of sales	5,859	3,355	74.7	33	49	(33.2)	1	119	(99.0)	(24)	(212)		5,870	3,311	77.3
Selling and administrative expenses	7,061	6,282	12.4	2,024	1,816	11.5	500	485	3.0	(1,036)	(1,065)		8,548	7,518	13.7
Depreciation and amortization	2,250	2,134	5.5	94	78	19.4	43	31	38.2	(20)	(12)		2,367	2,232	6.1
Cash SG&A	4,810	4,149	15.9	1,930	1,737	11.1	456	454	0.6	(1,016)	(1,053)		6,180	5,286	16.9
Total operating expenses	26,989	24,067	12.1	6,528	6,631	(1.6)	3,057	3,762	(18.7)	(2,568)	(2,229)		34,006	32,231	5.5
EBITDA	4,251	4,414	(3.7)	1,860	2,003	(7.1)	652	207	214.6	(106)	(184)		6,657	6,439	3.4
Depreciation and amortization	(4,463)	(5,514)	(19.1)	(1,425)	(1,767)	(19.4)	(706)	(665)	6.1	90	69		(6,503)	(7,876)	(17.4)
Operating profit	(212)	(1,100)	80.7	436	235	85.1	(54)	(458)	88.2	(15)	(115)		154	(1,437)	NM
Interest income	103	152	(32.0)	50	55	(9.2)	4	3	34.5	(12)	(11)		145	199	(26.9)
Interest expense	(681)	(460)	47.9	(563)	(611)	(7.8)	(55)	(56)	(1.4)	12	11		(1,287)	(1,115)	15.3
Other financial fees	800	(315)	NM	(26)	(15)	70.4	-	-	-	-	-		774	(330)	NM
Financial cost related to license	(608)	(524)	16.2	-	-	-	(14)	(14)	0.5	-	-		(622)	(537)	15.8
Income tax (expense) revenue	(24)	97	NM	(366)	(96)	280.2	(1)	93	NM	-	-		(390)	94	NM
Current tax	(73)	74	NM	35	(22)	NM	161	(69)	NM	-	-		124	(17)	NM
Deferred income tax	49	23	112.4	(401)	(74)	(438.6)	(162)	162	NM	-	-		(514)	111	NM
Share of results in subsidiaries and associates	-	-	-	489	445	9.9	(10)	(14)	25.2	-	-		479	432	11.0
(Income) loss attributable to non-controlling interests	(33)	(19)	(73.6)	(2)	(17)	86.0	22	(4)	NM	25	15		11	(26)	NM
Net income (loss) from continuing operations	(655)	(2,168)	69.8	17	(4)	NM	(107)	(449)	76.1	9	(99)		(735)	(2,721)	73.0
including share of results in associates (NIOGO)															
Non recurring items	(701)	(13)	NM	(307)	24	NM	87	(43)	NM	(1)	(1)		(923)	(33)	NM
Foreign exchange gain (loss)	389	(303)	NM	(129)	57	NM	93	(40)	NM	-	-		354	(285)	NM
Other (expense) income	(1,091)	290	NM	(178)	(33)	(435.0)	(7)	(3)	(108.6)	(1)	(1)		(1,276)	253	NM
Net profit (loss) to equity holders of the Company	(1,356)	(2,181)	37.8	(290)	20	NM	(21)	(492)	95.7	8	(101)		(1,658)	(2,754)	39.8
Non-controlling interests	33	19	73.6	2	17	(86.0)	(22)	4	NM	(25)	(15)		(11)	26	NM
Net profit (loss) for the year	(1,322)	(2,161)	38.8	(287)	37	NM	(43)	(488)	91.2	(16)	(116)		(1,669)	(2,728)	38.8

NORMALIZED REVENUE PROFILE (YTD)

(Baht in millions unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	2016		2015		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
TrueVisions	12,406		12,194		1.7
Service revenue	12,197		11,981		1.8
Product sales	209		213		(1.9)
Intersegment elimination	(2,708)		(2,700)		0.3
TrueVisions after elimination	9,698	7.8%	9,494	8.0%	2.1
TrueMove H	93,876		82,671		13.6
Service revenue	57,856		45,052		28.4
Network rental revenue & IC	19,397		20,773		(6.6)
Product sales	16,623		16,846		(1.3)
Intersegment elimination	(1,891)		(1,118)		69.2
TrueMove H after elimination	91,986	73.8%	81,553	68.7%	12.8
TrueOnline	28,300		33,205		(14.8)
Service revenue	27,596		26,798		3.0
- Traditional voice	4,696		5,191		(9.5)
- Broadband, Internet and Business Data Service	21,068		19,614		7.4
- Broadband Internet & business data	19,225		17,862		7.6
- Other Internet	1,843		1,752		5.2
- Others *	1,833		1,993		(8.0)
Network rental revenue (FOC)	442		368		20.0
Product sales	262		6,038		(95.7)
Intersegment elimination	(5,264)		(5,471)		(3.8)
TrueOnline after elimination	23,036	18.5%	27,734	23.3%	(16.9)
Normalized consolidated revenues	134,582		128,069		5.1
Total intersegment elimination	(9,863)		(9,289)		6.2
Normalized consolidated revenues - net	124,719	100.0%	118,781	100.0%	5.0

* Others such as revenue from bundled packages under TrueLife Plus

NORMALIZED REVENUE PROFILE (Y-O-Y)

(Baht in millions unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	4Q16		4Q15		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
TrueVisions	3,003		2,770		8.4
Service revenue	3,002		2,762		8.7
Product sales	2		9		(81.9)
Intersegment elimination	(602)		(409)		47.2
TrueVisions after elimination	2,401	7.0%	2,362	7.3%	1.7
TrueMove H	26,777		23,704		13.0
Service revenue	15,565		12,244		27.1
Network rental revenue & IC	5,211		5,272		(1.2)
Product sales	6,000		6,188		(3.0)
Intersegment elimination	(786)		(311)		152.7
TrueMove H after elimination	25,991	76.1%	23,393	71.9%	11.1
TrueOnline	6,963		8,020		(13.2)
Service revenue	6,815		6,679		2.0
- Traditional voice	1,064		1,278		(16.8)
- Broadband, Internet and Business Data Service	5,290		4,876		8.5
- Broadband Internet & business data	4,811		4,413		9.0
- Other Internet	479		464		3.3
- Others *	461		524		(12.0)
Network rental revenue (FOC)	110		110		0.1
Product sales	38		1,231		(96.9)
Intersegment elimination	(1,196)		(1,224)		(2.3)
TrueOnline after elimination	5,767	16.9%	6,796	20.9%	(15.1)
Normalized consolidated revenues	36,743		34,494		6.5
Total intersegment elimination	(2,584)		(1,943)		32.9
Normalized consolidated revenues - net	34,159	100.0%	32,551	100.0%	4.9

* Others such as revenue from bundled packages under TrueLife Plus

NORMALIZED REVENUE PROFILE (Q-O-Q)

(Baht in millions unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	4Q16		3Q16		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
TrueVisions	3,003		3,304		(9.1)
Service revenue	3,002		3,179		(5.6)
Product sales	2		126		(98.7)
Intersegment elimination	(602)		(792)		(24.0)
TrueVisions after elimination	2,401	7.0%	2,513	8.2%	(4.4)
TrueMove H	26,777		22,967		16.6
Service revenue	15,565		14,866		4.7
Network rental revenue & IC	5,211		5,173		0.7
Product sales	6,000		2,928		104.9
Intersegment elimination	(786)		(467)		68.2
TrueMove H after elimination	25,991	76.1%	22,500	73.1%	15.5
TrueOnline	6,963		6,866		1.4
Service revenue	6,815		6,694		1.8
- Traditional voice	1,064		1,143		(6.9)
- Broadband, Internet and Business Data Service	5,290		5,100		3.7
- Broadband Internet & business data	4,811		4,618		4.2
- Other Internet	479		482		(0.6)
- Others *	461		451		2.1
Network rental revenue (FOC)	110		110		0.0
Product sales	38		61		(38.3)
Intersegment elimination	(1,196)		(1,084)		10.3
TrueOnline after elimination	5,767	16.9%	5,782	18.8%	(0.3)
Normalized consolidated revenues	36,743		33,138		10.9
Total intersegment elimination	(2,584)		(2,343)		10.3
Normalized consolidated revenues - net	34,159	100.0%	30,794	100.0%	10.9

* Others such as revenue from bundled packages under TrueLife Plus

SEGMENT RESULTS

TRUEMOVE H

- >> TrueMove H's competitive strengths of having superior network quality and coverage, capitalizing on an ideal combination of low-band and high-band frequencies, offering a wide range of attractive device-bundling campaigns and growing nationwide distribution channels of True and partners were key drivers behind its outstanding revenue and subscriber growth for both prepaid and postpaid segments. Consequently, TrueMove H continued to gain in market share of both subscriber and service revenue throughout 2016.
- >> TrueMove H gained 5.4 million net subscribers in 2016, representing 75% of the industry's net adds, and expanded its subscriber base to 24.53 million, of which 6.06 million were postpaid and 18.47 million were prepaid users. This increase has made TrueMove H the second largest mobile operator in the country by number of total subscribers and raised its subscriber market share to 27.2%, up from 23.1% a year earlier. Blended ARPU was Baht 217 per month in 2016, up from Baht 171 per month in 2015 and Baht 130 per month in 2014.
- >> The significant subscriber growth, together with an accelerating mobile Internet usage, resulted in TrueMove H's **cellular service revenue** growing at a tremendous rate of 28.4% YoY to Baht 57.9 billion in 2016 while the combined growth of the other major industry players was a negative 0.2%. At the same time, positive response to various campaigns launched in the fourth quarter including the iPhone 7 and 7 Plus with 4G+ Unlimited package as well as a variety of attractive propositions catering to consumers' various preferences, drove TrueMove H's cellular service revenue up 27.1% YoY and 4.7% QoQ in 4Q16, pushing its value market share to 24.8% compared to 20.9% in 4Q15 and 24.2% in 3Q16.
- >> **Non-voice revenue** surged 45.0% YoY to Baht 34.0 billion, representing 59% of TrueMove H's service revenue compared to 52% in the previous year, underpinned by the Group's 4G strength and consumers' rising demand for data usage.
- >> **Voice revenue** grew 12.3% YoY to Baht 20.8 billion given TrueMove H's continued success in penetrating into the mass postpaid segment and the tremendous response to its prepaid device-bundling campaigns leveraging on True Group's stronger sales and distribution channels.
- >> **Revenue from international roaming and other services** were flat (-0.7%) at Baht 3.1 billion as the impact from competition offset higher inbound traffic given an improving tourism sentiment.
- >> **Product sales** softened 1.3% YoY to Baht 16.6 billion driven by competitive device campaigns and more affordable smart devices being introduced to the market.
- >> **Net IC expense** dropped 34.8% from the previous year to Baht 496 million supported by lower net off-net traffic as well as the IC rate reduction from Baht 0.45 per minute to Baht 0.34 per minute since July 2015.
- >> **Core operating expense** (comprising other cost of providing services and other S&A) increased 7.5% YoY to Baht 53.5 billion due to higher expenses related to nationwide network expansion for both capacity and coverage, personnel and marketing activities. The 2G network on the 1800MHz frequency was terminated in the second half of 2016; its full-year savings will be realized from 2017 onwards.

- >> **EBITDA** surged 53.5% YoY to Baht 15.5 billion on accelerating revenue, which continued to outpace incremental core operating expenses.
- >> **Depreciation and amortization expenses** increased to Baht 16.8 billion mainly due to amortization costs of the 900MHz and 1800MHz spectrum licenses. This, together with finance-related expenses to support the Group's expansion, pressured the bottom line to record a **net loss to shareholders of the parent company** totaling Baht 4.97 billion in 2016.

TRUEONLINE

- >> TrueOnline provides optimum Internet experience and high-speed Internet access through aggressive expansion of its nationwide fiber to the home footprint which will complement True Group's position as the leader in both 4G and broadband. The business continues to raise the value of its fiber broadband offerings through increasingly higher speeds, presently ranging from 30 Mbps to 1Gbps, convergence packages and service excellence. All these developments fuelled its consumer broadband revenue up 13.6% YoY and a significant net addition of 380,523 in 2016, driving TrueOnline's broadband subscriber base to 2.8 million with an ARPU of Baht 629.
- >> **Service revenue** increased 3.0% YoY to Baht 27.6 billion in 2016 due to strong broadband Internet growth while contribution from **traditional voice services** continued to decline to Baht 4.7 billion following consumers' increasing trend towards mobile usage and social media communication.
- >> **Broadband Internet revenue** increased 7.6% YoY to Baht 19.2 billion, representing 70% of TrueOnline's service revenue compared to 67% in the previous year, driven mainly by solid growth of consumer broadband revenue following strong response to the fiber expansion and upgrade. Corporate Internet posted decent growth despite increased competition while business data service was pressured by the 2G network shutdown since the middle of the year.
- >> TrueOnline accelerated its penetration into the apartment segment by launching the "True A Plus" campaign in late December, combining 300Mbps/ 200Mbps of fiber broadband Internet and attractive TrueVisions channels, particularly premium content such as English Premier League and Hollywood movies; this campaign is expected to further expand its revenue and subscriber base.
- >> **Product sales** were Baht 262 million in 2016, declining from the previous year's high base with new towers transferred to DIF; excluding this, product sales grew 39% YoY.
- >> **Core operating expense** (comprising other cost of providing services and other S&A) increased 3.4% YoY to Baht 17.5 billion following continued expansion of the Group's fiber network and service.
- >> **EBITDA** improved 6.2% YoY to Baht 8.7 billion, excluding the 2015 gain from transferring towers to DIF for a meaningful performance comparison, driven by service revenue growth.
- >> **Depreciation and amortization expenses** increased 7.2% YoY to Baht 6.4 billion due to aggressive rollout of the Group's broadband network that now encompasses approximately 10 million homes nationwide, up from 6 million homes at the end of 2015.

- >> **Net profit to shareholders of the parent company** was Baht 3.7 billion in 2016, supported by its operating profit and DIF's incremental investment value as appraised by independent financial advisors of the fund in the first quarter; the YoY decline was driven by the previous year's gain from transferring new towers to DIF.

TRUEVISIONS

- >> TrueVisions continues to differentiate its platform and enhance consumers' viewing experience through Thailand's largest selection of high-quality content, especially live broadcasting, of which over 55 channels are offered in high-definition format. The business continually seeks out and produces attractive content to satisfy the evolving preferences of Thai consumers. This, together with TrueVisions' stronger position in the mass segment leveraging on True Group's bundled propositions, resulted in record net additions of its paying subscribers and total customer base, which passed the 3.9 million mark, in 2016. TrueVisions will further highlight and promote its offerings through specialized sales teams and strengthened sales channels while also focusing on cross-selling and up-selling opportunities.
- >> TrueVisions' **service revenue** in 2016 increased 1.8% YoY to Baht 12.2 billion due to higher subscription and installation revenues, which have grown since the second quarter of the year, outpacing lower contributions from advertising and music entertainment.
- >> **Subscription and installation revenue** increased 5.9% YoY to Baht 8.0 billion in 2016, representing 65% of TrueVisions' service revenue compared to 63% a year earlier, due to the rising popularity of the Group's convergence propositions as well as the positive response to the broadcasting of EPL via beIN Sports channels.
- >> **Music Entertainment and other revenues** decreased 7.1% from a high base in the previous year, which arranged several major events, to Baht 2.5 billion while **advertising revenue** softened 2.1% YoY, compared to the industry's drop of 15.9% YoY, to Baht 1.7 billion. These declines were driven partly by the mourning period, which resulted in the postponement of various events and the respectful respite on advertising in the fourth quarter.
- >> **Core operating expense** (comprising other cost of providing services and other S&A) increased 3.4% YoY to Baht 11.1 billion due mainly to incremental content costs as the Group continued to equip its portfolio with high-quality international and local content including the recent acquisition of the EPL broadcasting rights and other top soccer leagues via beIN Sports channels.
- >> **EBITDA** expanded 46.2% YoY to Baht 1.3 billion underpinned by revenue growth and a drop of expenses related to advertising and marketing activities.
- >> **Depreciation and amortization expenses** increased 16.8% YoY to Baht 2.6 billion following TrueVisions Group's service expansion.
- >> TrueVisions reported a **net loss to shareholders of the parent** totaling Baht 1.4 billion in 2016; this loss narrowed from the previous year due to growing EBITDA.

Remark: Advertising expenditure data on television platforms in 2016 from AGB Nielsen Media Research (Thailand), comprising advertising expenditure on analog TV, cable/ satellite TV and digital TV

CONSOLIDATED BALANCE SHEET AND CASH FLOWS

	31-Dec-16	31-Dec-15 (Restated)	% Change
(Baht in millions unless otherwise indicated)			
Balance Sheets			
Cash and cash equivalents	50,184	10,590	373.9
Trade accounts receivable, net	32,749	32,808	(0.2)
Other receivables	4,061	5,767	(29.6)
Other current assets	35,684	28,642	24.6
<i>Total current assets</i>	<i>122,678</i>	<i>77,807</i>	<i>57.7</i>
Property, plant and equipment, net	143,688	97,666	47.1
Goodwill, net	11,403	11,403	(0.0)
Intangible assets, net	139,746	70,031	99.5
Deferred income tax assets	5,376	5,663	(5.1)
Other non-current assets	26,069	20,953	24.4
<i>Total non-current assets</i>	<i>326,282</i>	<i>205,717</i>	<i>58.6</i>
Total assets	448,960	283,525	58.3
Short-term borrowings	37,572	29,927	25.5
Trade accounts payable	64,422	40,620	58.6
Other payables	34,093	25,672	32.8
Current portion of long-term borrowings	20,654	12,603	63.9
Other current liabilities	4,104	3,405	20.5
<i>Total current liabilities</i>	<i>160,844</i>	<i>112,226</i>	<i>43.3</i>
Long-term borrowings	60,490	55,522	8.9
Deferred income tax liabilities	1,995	2,075	(3.8)
Liabilities under agreements and licenses for operations	77,652	20,902	271.5
Employee benefit obligations	1,982	1,369	44.8
Other non-current liabilities	14,269	16,224	(12.0)
<i>Total non-current liabilities</i>	<i>156,389</i>	<i>96,092</i>	<i>62.7</i>
Total liabilities	317,233	208,318	52.3
Total shareholder's equity	131,728	75,207	75.2
Total liabilities and shareholder's equity	448,960	283,525	58.3

	31-Dec-16	31-Dec-15	% Change
Cash Flows			
Cash flows from operating activities	8,096	3,333	143
Cash flows (used in) from investing activities	(45,412)	(49,754)	(9)
Cash flows (used in) from financing activities	76,966	50,354	53
Net (decrease) increase in cash and cash equivalents	39,650	3,933	NM
Beginning cash balance and effects of exchange rate changes	10,534	6,657	58
Ending cash balance	50,184	10,590	374

Remark: Balance sheet items such as trade and other receivables, investment property (net), property, plant and equipment (net), intangible assets (net), trade and other payables, liabilities under agreements and licenses for operation and other non-current liabilities for 2015 were restated (see "Note 4: Restatement and change in accounting estimate" of the FY2016 financial statements))

FINANCIAL POSITION

True Group's capital structure remains healthy and the Group is in compliance with and meets all of its debt obligations. The net debt to equity ratio was 0.5 times while the net debt to EBITDA ratio declined to 2.5 times, compared to 3.7 times in a year earlier, driven by strong EBITDA growth. Meanwhile, interest coverage ratio decreased to 5.2 times in 2016 compared to 7.3 times in 2015 due to higher interest expense resulting from additional borrowings to support business expansion.

True Group's gross profit margin excluding gain from transferring new towers to DIF improved to 23.3% in 2016 from 22.1% in 2015 as the Group achieved more scale. Its aggressive expansion of wireless and wired networks and services throughout the country as well as spectrum licenses acquisition, however, pressured profitability in 2016 and resulted in net profit margin and return on equity declining to minus 1.7% and 2.1%, respectively, excluding non-recurring items.

True Group's current ratio increased to 0.8 times while its cash cycle improved to 35 days in 2016. The average payment period increased to 198 days in 2016 compared to 160 days in 2015 given the Group's attractive vendor financing while average collection period decreased to 95 days from 146 days a year earlier as the Group's collection measure has become more efficient.

		2016	2015 (RESTATED)
Financial Ratios			
Current Ratio	Times	0.8	0.7
Average Collection Periods	Days	95	146
Average Payment Periods	Days	198	160
Interest Coverage Ratio	Times	5.2	7.3
Net Debt to EBITDA	Times	2.5	3.7
Net Debt to Equity	Times	0.5	1.1
Gross Profit Margin	%	23.3	23.7
Gross Profit Margin	%	23.3	22.1
(excluding towers' gain)			
Net Profit Margin	%	-2.3	3.7
Net Profit Margin	%	-1.7	2.3
(excluding non-recurring items)			
Return on Equity	%	-2.7	6.1
Return on Equity	%	-2.1	3.7
(excluding non-recurring items)			

ASSETS

- >> **True Group's assets** increased 58.3% from the end of 2015 to Baht 449.0 billion due to higher intangible assets, property, plant and equipment as well as cash.
- >> **Intangible assets (net)** increased from Baht 70.0 billion at the end of 2015 to Baht 139.7 billion at the end of 2016 primarily due to the 900MHz license acquisition which was granted by NBTC during the year.
- >> **Property, plant and equipment (net)** increased 47.1% from the end of 2015 to Baht 143.7 billion driven by continued network and service expansion of the Group's cellular and broadband businesses.
- >> **Investment in subsidiaries and associates (net)** grew 21.2% from the end of 2015 to Baht 18.2 billion due mainly to DIF's incremental investment value following its asset reappraisal in the first quarter of 2016 (see more detail in note 20 of financial statements).
- >> **Trade account receivables (net)** were flat (-0.2%) from the previous year at Baht 32.7 billion with average collection period improving to 95 days in 2016.

AT 31 DECEMBER	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016 BAHT MILLION	2015 BAHT MILLION (RESTATED)	2016 BAHT MILLION	2015 BAHT MILLION
Receivable from TOT	685.29	688.96	685.29	688.96
Billed customers	20,293.14	17,840.74	1,994.15	2,212.60
Receivables and accrued income from related parties (Note 41)	7,873.13	8,805.07	6,176.90	2,704.74
Trade accounts receivable	28,851.56	27,334.77	8,856.34	5,606.30
Accrued income	11,025.30	13,031.44	2,220.65	2,042.13
Total trade accounts receivable	39,876.86	40,366.21	11,076.99	7,648.43
Less Allowance for doubtful accounts	(7,127.71)	(7,558.06)	(3,113.67)	(3,067.99)
Trade accounts receivable, net	32,749.15	32,808.15	7,963.32	4,580.44

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

AT 31 DECEMBER	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016 BAHT MILLION	2015 BAHT MILLION	2016 BAHT MILLION	2015 BAHT MILLION
Current	14,473.16	10,420.93	1,132.24	1,122.48
Less than 3 months	5,524.89	6,225.85	1,205.03	920.43
3 - 6 months	871.59	1,904.95	269.97	791.22
6 - 12 months	3,137.17	3,234.22	4,147.20	657.43
More than 12 months	4,844.75	5,548.82	2,101.90	2,114.74
Trade accounts receivable	28,851.56	27,334.77	8,856.34	5,606.30
Accrued income	11,025.30	13,031.44	2,220.65	2,042.13
Total trade accounts receivable	39,876.86	40,366.21	11,076.98	7,648.43
Less Allowance for doubtful accounts	(7,127.71)	(7,558.06)	(3,113.67)	(3,067.99)
Trade accounts receivable, net	32,749.15	32,808.15	7,963.31	4,580.44

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognized in profit or loss under administrative expenses.

The allowance for doubtful accounts is determined through a combination of percentage of revenues, analysis of debt aging, collection experience, and taking into account of change in the current economic environment. Management is confident that the allowance for doubtful accounts (Baht 7,128 million) is sufficient given the Company's experience in collecting accounts receivables using various mechanisms.

Concentrations of credit risk with respect to trade accounts receivable are limited as the Group has a very large number of customers who are end users of telephone services, both businesses and individuals. The Group's experience in the collection of accounts indicates that the allowance provided will be sufficient. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade accounts receivable.

>> **Goodwill (net)** remained unchanged YoY at Baht 11.4 billion (see more detail in the note to financial statements section 23).

LIABILITIES

>> **True Group's total liabilities** increased 52.3% from the end of 2015 to Baht 317.2 billion mainly due to **liabilities under agreements and licenses for operations** which increased to Baht 77.7 billion mainly resulting from the 900MHz license acquisition.

>> **Trade accounts payable** increased from the end of 2015 to Baht 64.4 billion driven by the Group's business expansion under attractive vendor financing terms.

>> **Interest bearing debt** (short-term and long-term borrowings excluding financial leases) increased from the end of 2015 to Baht 111.8 billion due to additional borrowings to support business expansion and license fee payment.

SHAREHOLDERS' EQUITY

>> **Shareholders' equity** grew from Baht 75.2 billion at the end of 2015 to Baht 131.7 billion due mainly to True's capital increase during the year.

CASH FLOW

>> **Cash flows from operating activities** increased to Baht 8.1 billion in 2016 compared to Baht 3.3 billion in 2015 given improved operating performance as the Group achieved more scale as well as lower working capital requirements during the period.

>> True Group's primary capital resources for the year 2016 were **cash flows from financing activities** totaling Baht 77.0 billion due mainly to the capital increase, driving the ending cash balance to Baht 50.2 billion.

>> **Cash flows used in investing activities** in 2016 was Baht 45.4 billion, decreasing from the previous year's high base with cash payments for the 2.1GHz and the 1800MHz licenses. Cash CAPEX was approximately Baht 47 billion in 2016 as budgeted.

RESTATEMENT AND CHANGE IN ACCOUNTING ESTIMATE

CHANGE IN ACCOUNTING ESTIMATE

In compliance with Thai Accounting Standard No. 16, Property, Plant and Equipment and the Group's accounting policy regarding annually review of the useful lives of property and equipment, the management conducted a review and concluded that useful lives of certain classes of equipment should be extended taking into consideration of key factors including technology development, well-maintenance standard and usage conditions, benchmarking with international telecommunication industry and obtaining opinion from expert engineer. The Group changed the estimated useful lives commencing 1 January 2016. Sets out below are the comparisons between previous and new useful lives.

	PREVIOUS USEFUL LIVES YEARS	NEW USEFUL LIVES YEARS
Mobile phone network equipment	12	15
Router Modem	5	7

Effect of the change to the consolidated statement of comprehensive income for the year ended 31 December 2016 can be summarised as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
	PREVIOUS USEFUL LIVES YEARS	NEW USEFUL LIVES YEARS
Depreciation charges	6,624.33	4,715.42

RESTATEMENT

On 4 December 2015, a subsidiary, TUC was granted the 1800MHz Bandwidth licence by NBTC. The licence authorised TUC to provide mobile service under those spectrums for 18 years. During 2016, the Group identified additional directly attributable costs of acquisition of licence, which should have been capitalised as initial cost of licence and made adjustment to the 2015 financial statements. The adjustment has immaterial impact on the statement of comprehensive income for the year ended 31 December 2015.

On 5 March 2015, a subsidiary, AWC, entered into agreements with DIF to lease out the fiber optic cable to DIF with lease term of 20 years. The 2015 financial statements, the assets relating to agreement were previously reported as Property, Plant and Equipment. The Group reclassified these assets to be investment properties in compliance with Thai Accounting Standard No. 40. The reclassification did not have impact to statement of comprehensive income for the year ended 31 December 2015.

These adjustments are not relevant to 2014. Therefore the statement of financial position as at 1 January 2015 is not required to be presented.

The adjustments to the statement of financial position as at 31 December 2015 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS			
	AS PREVIOUSLY REPORTED BAHT MILLION	ADJUSTMENT BAHT MILLION	AS RESTATED BAHT MILLION
Statement of financial position			
as at 31 December 2015			
Trade and other receivables	38,628.42	(53.21)	38,575.21
Investment property, net	5.53	790.72	796.25
Property, plant and equipment, net	98,456.92	(790.72)	97,666.20
Intangible assets, net	69,297.50	733.48	70,030.98
Trade and other payables	65,865.89	425.78	66,291.67
Liabilities under agreements and licences			
for operation	86.05	20,816.21	20,902.26
Other non-current liabilities	36,785.44	(20,561.72)	16,223.72

CONTRACTS AND COMMITMENTS

The Company entered into the agreement for Joint-Operation and Investments for Expansion of 2.6 million lines Telephone Services with TOT and other supplements to the Agreement for the following services:

- >> Wireline Services
- >> Value Added Services
- >> Personal Communication Telephone Services
- >> Public Telephone Services
- >> Receiving telephone service orders, and receiving payment for installation charges, deposits and monthly usage for TOT
- >> Fault notification and dropwire maintenance
- >> Personal Communication Telephone Service for TOT subscribers

Under the provisions of the “Agreement”, the “Amendment” and the Supplementary Agreements, TOT and the Company will share the gross revenues collected from operating the telephone network in accordance with the percentages as stipulated in the agreements. Among the Company’s responsibilities are the acquisition, installation, project management, operation and maintenance of the system as set out in the agreements. In addition, the Company is required to transfer to TOT certain equipment pertaining to such system together with the land and buildings acquired by the Company related to the project.

A subsidiary has agreement with state enterprises, MCOT to provide Pay TV service.

Under the terms of the agreement, the subsidiary has certain commitments to acquire, install, manage and maintain all equipment. The subsidiary is also committed to transfer to MCOT all equipment pertaining to such systems as the installations are completed. During the term of the agreement, the subsidiary is entitled to collect deposits, membership fees and other service fees from customers as stipulated in the agreement.

In addition, the subsidiary is contingently liable to certain local banks for letters of guarantee Baht 31.20 million issued by the said banks in favour of MCOT. The letters of guarantee cover the guarantee for the subsidiary in compliance with the provisions of the agreement referred to above.

Under the term of the agreement, the subsidiary is obliged to pay minimum fee as follows:

PERIOD DUE	MINIMUM FEE BAHT MILLION
Within 1 year	35.00
Between 1 - 2 years	35.00
Between 2 - 5 years	35.00

On 27 January 2011, a subsidiary, BFKT entered into an agreement with CAT to lease telecommunication equipment under HSPA technologies for the periods of 14.5 years. Under the terms and conditions of HSPA agreement, BFKT has certain commitments including acquiring, installing, managing, and maintaining all equipment necessary to provide mobile phone service using HSPA technology according to the capacity stipulated in the agreement and amended agreement executed on 3 December 2013 for the period of 14.5 years. As consideration of providing such services, BFKT entitles to receive revenue as stipulated in the agreement.

On 27 January 2011, a subsidiary, RMV entered into a re-sales and wholesales agreement with CAT ("the Agreement"). Under the terms and conditions of the Agreement, RMV provides mobile phone services using HSPA technology wholesale from CAT for the period of 14.5 years. On 16 December 2015, RMV was granted renewal Type I licences by NBTC for resale mobile services and internet services. RMV is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licences. The licences will expire on 15 December 2020.

During 2015 and 2016, the Group and CAT reached the solution to settle certain portion of rental and services revenue in BFKT and accrued operating cost in RMV.

On 23 January 2017, the aforesaid subsidiaries and CAT has agreed in several matters with an objective to extinguish the outstanding disputes between the two parties, including the unsettled balances. The Group has assessed the overall impact of the agreements reached and recognised an additional expense of Baht 305.67 million in the consolidated statement of comprehensive income of 2016.

There are still pending issues and outstanding balances required further discussion. The management believes that there will be no significant impact to the Group as a result of the finalisation.

To comply with the abovementioned agreements, the Group has provided letters of guarantee issued by certain local banks in favour of CAT totaling Baht 200.00 million.

On 7 December 2012, a subsidiary, TUC was granted with the 2.1 IMT GHz Bandwidth licence by NBTC. The licence awarded covers three spectrum bandwidth and authorises TUC to provide mobile service under those spectrum bandwidth for the period of 15 years. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.

On 4 December 2015, a subsidiary, TUC was granted with the 1800MHz Bandwidth licence issued by NBTC. The licence covers two spectrum bandwidth and authorises TUC to provide mobile service under those spectrum bandwidth for the period of 18 years. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.

On 14 March 2016, a subsidiary, TUC was granted with the 900MHz Bandwidth licence issued by NBTC. The licence authorized TUC to provide mobile service for 15 year. The maturity will be on 30 June 2031. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.

The Company and subsidiaries are contingently liable to certain local banks for letters of guarantee provided in favour of certain government agencies, certain state enterprises and other companies amounting to Baht 3,798.07 million and Baht 401.21 million, respectively.

Under the terms of various agreements, the Company's and certain subsidiaries' assets have been pledged and/or mortgaged as collateral with the contracted parties, details of which are as follows:

CARRYING VALUE AT 31 DECEMBER				
	CONSOLIDATED		COMPANY	
	2016	2015	2016	2015
	BAHT MILLION	BAHT MILLION	BAHT MILLION	BAHT MILLION
Fixed and saving deposits	70.06	606.94	42.36	558.97
Investments in shares of associate	770.00	635.84	694.55	694.55

The Company and subsidiaries have entered into contracts with various contractors to supply and install additional network and expansion of network equipment capability and various agreements related to capital expenditure. The Group's and the Company's commitments as at 31 December 2016 were Baht 30,191.98 million and Baht 5.40 million, respectively (2015: Baht 17,839.39 million and Baht 4.58 million, respectively).

The Group leases various telecommunication infrastructures under non-cancellable operating lease agreements and the lease term is ranged between 5 years and 15 years.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

CONSOLIDATED FINANCIAL STATEMENTS		
	2016	2015
	BAHT MILLION	BAHT MILLION
Not later than 1 year	3,313.62	3,263.24
Later than 1 year but not later than 5 years	12,646.89	12,814.76
Later than 5 years	15,594.68	18,740.42
	31,555.19	34,818.42

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 2016

The Audit Committee comprising three Independent Directors, Mr. Vitthya Vejajiva, Dr. Kosol Petchsuwan and Mr. Joti Bhokavanij, was reappointed by the Board of Directors Meeting No. 3/2558 on 12th June 2015 to perform duties and discharge responsibilities under the Charter for the Audit Committee. During the Year 2016, the Audit Committee proceeded as follows:

1. Held seven meetings in 2016 in order to discharge its functions as assigned by the Board of Directors. The Audit Committee reported its activities to the Board of Directors on a quarterly basis;

NAME	POSITION	ATTENDANCE OF THE AUDIT COMMITTEE MEETINGS IN THE YEAR 2016 *
1. Mr. Vitthya Vejajiva	Chairman of the Audit Committee	7/7
2. Dr. Kosol Petchsuwan	Member of the Audit Committee	7/7
3. Mr. Joti Bhokavanij	Member of the Audit Committee	7/7

Remark: * In the Year 2016, the Audit Committee held one meeting with the external auditor without the presence of Management.

2. Reviewed the Charter of the Audit Committee and made a revision by adding the duty about reviewing the Company's compliance with the Anti-Corruption Policy and Measure and proposed to the Board of Directors Meeting for approval;
3. Considered applying for certification of Private Sector Collective Action Coalition Against Corruption ("CAC") and together with the Corporate Governance Committee proposed to the Board of Directors Meeting for approval; in this regard, the Board of Directors approved the matter and the Company submitted the application to CAC on 2nd December 2016;
4. Reviewed the independence and performance of the external auditor including the auditing fee. The Audit Committee deemed that the external auditor performed independently and provided useful opinions and recommendations regarding financial reporting and internal controls. Therefore, the Audit Committee recommended the appointment of external auditors from PricewaterhouseCoopers ABAS Limited as the Company's Auditor and the auditing fee for the Year 2016 to the Board of Directors for approval by the Annual General Meeting of the Shareholders;
5. Discussed with the external auditor the scope of their audits before they commenced and followed up their audits;
6. Acknowledged the external auditor's audit plan and findings and provided recommendations;
7. Reviewed the annual and quarterly financial reports of the Company which included performance of its subsidiaries. The Audit Committee agreed with the external auditor that the Company's financial statements represented the Company's financial position and financial performance fairly, in all material respects, in accordance with Thai Financial Reporting Standard;
8. Reviewed the Company's and its subsidiaries' practices relating to related party transactions to ensure compliance with the Rules of Entering into Related Party Transactions of the Company which is in line with the law and

regulation of the Stock Exchange of Thailand. The Audit Committee deemed that the entering into related party transactions of the Company and its subsidiaries had complied with the law and the Stock Exchange of Thailand's regulation, was reasonable and most beneficial to the Company;

9. Reviewed the compliance with the Securities and Exchange laws, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business. Based on the reports of external auditor, internal audit and Management, the Audit Committee deemed that the Company had complied with all related laws and regulations;
10. Reviewed the Internal Control System to evaluate the adequacy and effectiveness to reasonably ensure the Company's performance in achieving its goals based on the internal audit report for the Year 2016, which covered key business processes. The Audit Committee deemed that the Company's Internal Control System was adequate and appropriate. Moreover, with the dynamic environment of telecommunication business, the Audit Committee supported continual development of the Internal Control System to suit the changing environment within the Company;
11. Followed up risk management activities under "Risk Management Policy and Framework" of the Company which was an integral part of business strategies and operations to ensure continuous and effective risk management of the Company;

Moreover, since the Company implemented risk-based audit, the Audit Committee recognized the linkage between Risk Management Function and Internal Audit Function. A representative of Strategic Development and Risk Management Committee was therefore invited to report to the Audit Committee on the risk identification, risk assessment, and risk management of the Company and the Internal Audit Department was instructed to ensure that the Internal Audit Plan be in line with such results of risk assessment;

12. Monitored results of providing a channel for any stakeholder to make complaints or provide clues concerning fraud, wrongdoing or violations of the Company's Code of Conduct to the Board of Directors via the Audit Committee;

In the Year 2016, the Audit Committee did not receive any complaint or information concerning fraud, or wrongdoing but received 9 complaints regarding services of the Company. The Audit Committee passed on the matters to the relevant Departments for appropriate actions; the relevant Departments resolved the issues; and

13. Oversaw the Internal Audit function including approving the Internal Audit Plan based on the risk management guideline (risk-based audit), acknowledging the quarterly and annual Internal Audit results, providing comments to the Internal Audit Department and submitting corrective measures to be taken by Management including continual follow-up on their progress. In this regard, the Audit Committee reviewed the independence and performance of the Internal Audit Department and deemed that the Internal Audit Function was performed independently, adequately, and effectively. Moreover, internal audit quality has been continuously improved both in terms of human resources and operation to meet international professional standards.

The Audit Committee maintains its independence in performing the duties as assigned. In this regard, the Audit Committee has received good cooperation from Management and external auditor.

In summary, the Audit Committee is of the opinion that the Board of Directors and Management of the Company have operated business with ethics and were determined to professionally perform duties to achieve the Company's goals, emphasizing on operating business with effective Internal Control and Internal Audit Systems, good corporate governance and continual development of operation systems.



MR. VITTHYA VEJAJIVA
CHAIRMAN OF THE AUDIT COMMITTEE

REPORT OF THE COMPENSATION AND NOMINATING COMMITTEE FOR THE YEAR 2016

By virtue of the resolution of the Board of Directors of the Company passed at its meeting No. 8/2544 held on 16th November 2001, the Compensation and Nominating Committee (the "Committee") was appointed to perform and discharge certain responsibilities under the Charter for the Compensation and Nominating Committee. During the Year 2016, the Committee held four meetings in order to discharge its functions as assigned by the Board of Directors which can be summarized as follows:

1. Considered and proposed recommendation to the Board of Directors regarding the election of Directors to replace the Directors retiring by rotation;
2. Considered and proposed recommendation to the Board of Directors regarding the Directors' remuneration;
3. Considered and proposed recommendation to the Board of Directors regarding the appointment of a new Director to replace the resigned Director;
4. Considered and approved the variable payout to the CEO/President for the Year 2015 (payout in 2016);
5. Considered and approved the variable pay plan for the CEO/President for the Year 2016 (payout in 2017);
6. Considered and approved the remuneration pay plan and assessment criteria for the CEO/President for the Year 2017 (payout in 2018); and
7. Considered the Employee Joint Investment Program ("EJIP") in Phase 2 for the Years 2017-2020 and proposed to the Board of Directors Meeting for consideration and approval.



MR. UMROONG SANPHASITVONG
REPRESENTATIVE OF THE COMPENSATION
AND NOMINATING COMMITTEE

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE FOR THE YEAR 2016

By virtue of a resolution of the Board of Directors of the Company passed at its meeting No. 3/2549 held on 24th March 2006, the Corporate Governance Committee was appointed to perform and discharge responsibilities under the Charter for the Corporate Governance Committee. During the Year 2016, the Corporate Governance Committee proceeded as follows:

1. Held 5 meetings in order to discharge its functions as assigned by the Board of Directors;
2. Considered the Corporate Governance Report of the Company for disclosure in the Annual Report for the Year 2016 and proposed to the Board of Directors for approval;
3. Followed up on result of providing an opportunity to shareholders to propose agenda items and nominees for election as directors of the Company in advance of the 2016 Annual General Meeting of the Shareholders;
4. Reviewed the Thai Institute of Directors Association's Corporate Governance Assessment Report for the Year 2015 and proposed to the Board of Directors with recommendations for further improving the Corporate Governance of the Company;
5. Reviewed the Company's Policy on Corporate Governance and proposed some revisions to the Board of Directors for approval;
6. Reviewed the Anti-corruption Measure and proposed some revisions to the Board of Directors for approval;
7. Considered applying for certification of Private Sector Collective Action Coalition Against Corruption and together with the Audit Committee, proposed to the Board of Directors for approval;
8. Considered the revision of the Company's Code of Conduct and proposed to the Board of Directors for approval;
9. Considered the Company's activities in relation to corporate governance including corporate social responsibility to ensure that they were properly in practice and in compliance with the Company's policies; and
10. Considered the results of self-assessment of the Board of Directors for the previous year and proposed to the Board of Directors for acknowledgement.



DR. KOSOL PETCHSUWAN
CHAIRMAN OF THE CORPORATE
GOVERNANCE COMMITTEE

REPORT OF THE FINANCE COMMITTEE FOR THE YEAR 2016

By virtue of a resolution of the Board of Directors of True Corporation Public Company Limited (the “Company”) passed at its meeting No. 8/2544 held on 16th November 2001, the Finance Committee was appointed to perform and discharge certain responsibilities under the Charter for the Finance Committee. During the Year 2016, the Finance Committee has carried out the following tasks:

1. Held 6 meetings in order to discharge its functions as assigned by the Board of Directors;
2. Considered financial targets, provided recommendation to Management and proposed to the Board of Directors for approval;
3. Considered the Annual Financial Hedging Plan together with the Policy on the Use of Derivative Securities in Financial Transactions and provided recommendation to Management to revise the Policy in order to reduce or eliminate risk of currency fluctuation for all payments in foreign currencies and proposed to the Board of Directors for approval;
4. Considered the quarterly and annual financial results of the Company and its subsidiaries as well as provided recommendations to Management;
5. Considered the issuance of “Transferable Subscription Rights” (TSR) for offering to the existing shareholders of the Company in parallel with the capital increase and proposed to the Board of Directors for consideration and further proposing to the Annual General Meeting of the Shareholders for the Year 2016 for approval;
6. Considered stock dividend proposal and proposed to the Board of Directors for consideration and further proposing to the Annual General Meeting of the Shareholders for the Year 2016 for approval;
7. Acknowledged the report on the use of proceeds from capital increase;
8. Acknowledged the resignation of Mr. Gao Nianshu as the Finance Committee member and proposed recommendation to the Board of Directors to appoint Mr. Xia Bing in replacement of Mr. Gao Nianshu;
9. Considered investment in various projects as well as provided advices to Management and proposed recommendation to the Board of Directors for approval;
10. Considered capital increase in subsidiaries and proposed to the Board of Directors for approval;
11. Considered the acquisition of 1800 MHz and 900 MHz Spectrum Licenses and related matters and proposed to the Board of Directors for approval; and
12. Considered the entering into agreements by a subsidiary to do foreign exchange hedging for CAPEX under the network expansion for 900 MHz and 1800 MHz spectrum and proposed to the Board of Directors for approval.



DR. AJVA TAULANANDA
CHAIRMAN OF THE FINANCE COMMITTEE

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS FOR THE YEAR 2016

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries. The aforementioned financial statements have been prepared in accordance with Generally Accepted Accounting Principles, using appropriate accounting policy consistently employed by the Company as well as applying careful judgment and best estimation. Important information is adequately disclosed in the notes to financial statements.

The Board of Directors has provided and maintained an effective internal controls system to reasonably ensure that accounting records are accurate, complete and adequate to protect the Company's assets.

To accomplish this task, the Board of Directors has appointed an Audit Committee, which consists of Independent Directors responsible for the quality of financial statements and internal controls system, whose comments on these issues are readily included in the Audit Committee Report in this Annual Report.

The Board of Directors is of the opinion that the Company's overall internal controls system is adequate and suitable and has reasonable confidence that the consolidated financial statements of the Company and its subsidiaries for the year ended 31st December 2016 are true and fair.



MR. DHANIN CHEARAVANONT
CHAIRMAN OF THE BOARD

FINANCIAL STATEMENTS

TRUE CORPORATION PUBLIC COMPANY LIMITED

**CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS**

31 DECEMBER 2016

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List of abbreviations**Subsidiaries, associates, and joint ventures****Abbreviation**

AP&J Production Co., Ltd.	AP&J
Asia DBS Public Company Limited	ADBS
Asia Wireless Communication Co., Ltd.	AWC
Bangkok Inter Teletech Public Company Limited	BITCO
BeboydCG Company Limited	Bboyd
BFKT (Thailand) Limited	BFKT
Cineplex Co., Ltd.	CNP
Hutchison CAT Wireless MultiMedia Limited	HCAT
Hutchison MultiMedia Services (Thailand) Limited	HMSTL
Hutchison Telecommunications (Thailand) Company Limited	HTTCL
Hutchison Wireless MultiMedia Holdings Limited	HWMH
Internet Knowledge Service Center Co., Ltd.	IKSC
KSC Commercial Internet Co., Ltd.	KSC
MKSC World Dot Com Co., Ltd.	MKSC
Panther Entertainment Co., Ltd.	PTE
Real Move Co., Ltd.	RMV
Samut Pakan Media Corporation Co., Ltd.	SPM
Satellite Service Co., Ltd.	SSV
SM True Co., Ltd.	SM True
Song Dao Co., Ltd.	SD
Tele Engineering and Services Co., Ltd.	TE
Telecom Asset Management Co., Ltd.	TAM
Telecom Holding Co., Ltd.	TH
Telecom KSC Co., Ltd.	TKSC
Thai News Network (TNN) Co., Ltd.	TNN
True Distribution and Sales Co., Ltd.	TDS
True4U Station Co., Ltd.	True4U
True Icontent Co., Ltd.	TICT
True Incube Co., Ltd.	True Incube
True Information Technology Co., Ltd.	TIT
True International Communication Co., Ltd.	TIC
True International Gateway Co., Ltd.	TIG
True Internet Co., Ltd.	TI
True Internet Corporation Co., Ltd. (Formerly "True Universal Convergence Co., Ltd.")	TICC
True Life Plus Co., Ltd.	TLP
True Media Solutions Co., Ltd.	TSC
True Move Co., Ltd.	TMV
True Move H Universal Communication Co., Ltd.	TUC
True Multimedia Co., Ltd.	TM
True Music Co., Ltd.	TMS
True Music Radio Co., Ltd.	TMR
True Public Communication Co., Ltd.	TPC
True Touch Co., Ltd.	TT
True United Football Club Co., Ltd.	TUFC
True Visions Cable Public Company Limited	True Cable
True Visions Group Co., Ltd.	TVG
True Visions Public Company Limited	True Visions
True Vistas Co., Ltd.	TVT
True Voice Co., Ltd.	TV
K.I.N. (Thailand) Co., Ltd.	KINBVI

List of abbreviations (Cont'd)**Subsidiaries, associates, joint ventures (Cont'd)****Abbreviation**

Gold Palace Investments Limited	GPI
Golden Light Co., Ltd.	GDL
Golsky Co., Ltd.	GSK
Golden Pearl Global Limited	GDP
Rosy Legend Limited	RL
Prospect Gain Limited	PG
True Internet Technology (Shanghai) Company Limited	TIS
True Trademark Holdings Company Limited	TTH
Digital Telecommunications Infrastructure Fund	DIF
True GS Co., Ltd.	TG
Asia Infonet Co., Ltd.	AI
BEC-TERO True Visions Co., Ltd.	BEC
Transformation Films Co., Ltd.	TFF
True CJ Creation Co., Ltd.	TRUECJ

Other organisations

Telephone Organisation of Thailand (currently TOT Public Company Limited)	TOT
The National Telecommunication Commission	NTC
The National Telecommunication Commission of NBTC	NTC of NBTC
The National Broadcasting and Telecommunication Commission	NBTC
CAT Telecom Public Company Limited	CAT
Mass Communication Organization of Thailand (currently MCOT Public Company Limited)	MCOT
Securities and Exchange Commission of Thailand	SEC



Independent Auditor's Report

To the shareholders of True Corporation Public Company Limited

My opinion

In my opinion, the consolidated financial statements of True Corporation Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter paragraph

I draw attention to Notes 38.3, 39 and 40.2 to the financial statements discussing material uncertainties in respect of outstanding litigations and the significant commercial agreements of which details are not finalised. The ultimate outcome of the litigations and the conclusion regarding the significant agreements cannot presently be determined and no adjustment that may result, has been made in the financial statements. My opinion is not qualified in respect of these matters.

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Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of goodwill</p> <p>Refer to Notes 6.1 and 23 to the consolidated and separate financial statements regarding critical accounting estimates and judgements, and goodwill.</p> <p>The Group's goodwill is attributable to online and pay TV cash generating units (CGU) totalling Baht 360.62 million and Baht 11,042.47 million, respectively. The Group is required to test goodwill for impairment at least annually.</p> <p>I focussed on this area because the goodwill balance is material to the financial statements. Goodwill recoverable amounts are based on management judgements of variables such as revenue, revenue growth, profit margin and discount rates.</p> <p>For the year ended 31 December 2016, the management performed impairment test on goodwill by:</p> <ol style="list-style-type: none"> determining the recoverable amount of goodwill from the values in use of each CGU using the discounted cash flow (DCF) model. The forecasted cash flows (revenue, expenses and capital expenditure) generated from each CGU for the next five years, were based on budget, and a terminal zero growth rate was applied after the fifth year cash flows. These cash flows were then discounted to the net present value using the weighted average cost of capital (WACC), and comparing the resulting values in use for each CGU to their respective book values and determining whether to record an impairment provision if the DCF values in use are less than the book values. <p>Based on the annual impairment test for goodwill, the management concluded that no impairment provision was required. The key assumptions and related sensitivities are disclosed in Notes 6.1 and 23 to the consolidated and separate financial statements.</p>	<p>My key procedures included the following:</p> <ul style="list-style-type: none"> obtaining, understanding and evaluating management's cash flow forecasts and the process by which the forecasts were developed. I agreed the cash flow forecasts with the approved budgets set by the Group Chief Financial Officer, challenging management's key assumptions, such as for revenue, revenue growth, profit margin and discount rates, against the economic and industry outlook and against the assumptions made in the prior year, taking into account the sensitivity of the goodwill balance changes in the respective assumptions, and using my firm's valuation experts to evaluate the discount rate applied in the model. <p>Based on my procedures, I noted the key assumptions used by management were supportable and appropriate in light of the current environment and circumstance.</p>



Key audit matter	How my audit addressed the key audit matter
<p>Revenue recognition - Accuracy and cut-off of recorded revenue</p> <p>Recording revenue is an inherent risk for the telecommunications industry because billing systems are complex and the impact on revenue recognition of changing pricing models (tariff structures, discounts, etc.) is significant.</p> <p>Revenue cut-off is considered a key audit matter due to complex multiple monthly billing cycles for which closing billing periods may not necessarily close concurrently with the month-end close. This triggers a concern about whether revenue is recorded in the correct period.</p> <p>I focussed on this area because the balance and transaction volume are materially high, and it involves management estimations at month-end close.</p>	<p>My key procedures included the following:</p> <ul style="list-style-type: none"> • evaluating and testing IT general controls in which billing and other relevant support systems reside, including the change control procedures in place around systems • testing end-to-end reconciliations from the billing systems to the general ledger. This includes validating material journals processed between the billing system and general ledger • testing samples of individual and corporate customer bills and checking them against cash receipts • testing revenue estimations for month-end close by subsequently checking actual revenue based on customers' usage data against estimated revenue recorded for incomplete billing cycles. • performing a revenue trend analysis by estimating expected revenue based on usage data and number of subscribers. • meeting with management members to corroborate the key revenue movements and trends during the year. <p>Based on my work, I noted no significant issues.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.



Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to be 'Kajornkiet Aroonpirodkul', written over a horizontal line.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
Bangkok
28 February 2017

True Corporation Public Company Limited
Statements of Financial Position
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		(Restated)		31 December 2016	31 December 2015
		31 December 2016	31 December 2015		
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Assets					
Current assets					
Cash and cash equivalents	14	50,183,813	10,590,382	5,463,811	2,193,900
Restricted cash at bank	15	42,360	558,973	42,360	558,973
Short-term investments	16	502,312	2,837	501,234	1,775
Trade and other receivables	17	36,810,522	38,575,205	8,110,689	4,694,346
Short-term loans to related parties	41	147,000	147,000	3,000,000	19,815,000
Inventories, net	18	11,251,975	8,294,579	20,426	28,176
Income tax deducted at source		8,141,389	5,593,775	169,232	921,918
Claimable value added tax		5,509,182	7,001,952	-	6,515
Other current assets	19	10,089,763	7,042,763	66,536	79,697
Total current assets		122,678,316	77,807,466	17,374,288	28,300,300
Non-current assets					
Restricted cash at bank	15	27,696	47,962	-	-
Investment in subsidiaries, net	20	-	-	178,678,264	111,484,964
Investment in associates and interests in joint ventures, net	20	18,174,762	14,994,504	16,327,908	16,327,908
General investment, net	16	325,211	325,211	240,741	240,741
Investment property, net	21	760,473	796,254	-	-
Property, plant and equipment, net	22	143,688,352	97,666,203	1,708,040	2,017,377
Goodwill, net	23	11,403,094	11,403,094	-	-
Intangible assets, net	24	139,745,965	70,030,982	1,224,493	2,620,065
Deferred income tax assets	25	5,375,822	5,663,351	99,126	497,856
Other non-current assets	26	6,780,769	4,789,501	149,864	180,680
Total non-current assets		326,282,144	205,717,062	198,428,436	133,369,591
Total assets		448,960,460	283,524,528	215,802,724	161,669,891

The accompanying notes on pages 12 to 93 are an integral part of these financial statements.

True Corporation Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		(Restated)			
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Liabilities and equity					
Current liabilities					
Short-term borrowings	27	37,571,675	29,927,210	16,980,391	15,982,280
Trade and other payables	28	98,514,397	66,291,665	2,814,034	3,196,007
Current portion of long-term borrowings	27	20,653,960	12,602,574	19,165,857	6,180,748
Short-term loans from related parties		-	-	-	555,000
Income tax payable		5,629	29,099	-	-
Other current liabilities	29	4,098,147	3,375,821	509,323	154,614
Total current liabilities		160,843,808	112,226,369	39,469,605	26,068,649
Non-current liabilities					
Long-term borrowings	27	60,490,046	55,522,317	12,119,200	31,290,335
Deferred income tax liabilities	25	1,995,052	2,074,718	-	-
Liabilities under agreements and licences for operation	30	77,652,487	20,902,258	-	-
Employee benefits obligations	31	1,982,115	1,368,617	555,044	370,857
Other non-current liabilities	32	14,269,013	16,223,716	-	23,470
Total non-current liabilities		156,388,713	96,091,626	12,674,244	31,684,662
Total liabilities		317,232,521	208,317,995	52,143,849	57,753,311
Equity					
Share capital	33				
Authorised share capital					
Common shares, 33,368,655,464 shares of par Baht 4 each (2015: 24,607,928,150 shares of par Baht 4 each)		133,474,622	98,431,713	133,474,622	98,431,713
Issued and fully paid-up share capital					
Common shares, 33,368,195,301 shares of paid-up Baht 4 each (2015: 24,607,928,150 shares of paid-up Baht 4 each)		133,472,781	98,431,713	133,472,781	98,431,713
Premium on share capital		26,384,073	-	26,384,073	-
Retained earnings (deficits)					
Appropriated - legal reserve	34	282,498	275,914	282,498	275,914
Retained earnings (deficits)		(27,287,553)	(22,362,876)	3,519,523	5,208,953
Other components of equity		(1,799,588)	(1,797,302)	-	-
Equity attributable to owners of the parent		131,052,211	74,547,449	163,658,875	103,916,580
Non-controlling interests	35	675,728	659,084	-	-
Total equity		131,727,939	75,206,533	163,658,875	103,916,580
Total liabilities and equity		448,960,460	283,524,528	215,802,724	161,669,891

The accompanying notes on pages 12 to 93 are an integral part of these financial statements.

True Corporation Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2016 Baht Thousand	31 December 2015 Baht Thousand	31 December 2016 Baht Thousand	31 December 2015 Baht Thousand
Revenues	8				
Revenues from telephone and other services		107,892,009	95,941,928	9,205,238	10,040,008
Revenues from product sales		16,827,189	22,838,754	-	8,137,911
Total revenues		<u>124,719,198</u>	<u>118,780,682</u>	<u>9,205,238</u>	<u>18,177,919</u>
Costs					
Cost of providing services		78,276,315	71,046,486	4,806,669	4,759,056
Cost of sales		17,323,335	19,530,915	-	3,636,779
Total costs		<u>95,599,650</u>	<u>90,577,401</u>	<u>4,806,669</u>	<u>8,395,835</u>
Gross profit		29,119,548	28,203,281	4,398,569	9,782,084
Other income		1,830,084	2,754,733	2,475,003	2,171,748
Selling expenses		(17,213,181)	(13,161,603)	(921,121)	(999,564)
Administrative expenses		(12,397,980)	(10,434,045)	(2,730,667)	(2,444,876)
Other expenses		(2,098,095)	(595,980)	(279,429)	(200,760)
Share of results		4,608,618	1,413,979	-	-
Finance costs	11	(6,166,384)	(3,528,841)	(2,411,951)	(2,377,244)
(Loss) profit before income tax		(2,317,390)	4,651,524	530,404	5,931,388
Income tax	12	(489,639)	(251,349)	(398,730)	(413,109)
(Loss) profit for the year		<u>(2,807,029)</u>	<u>4,400,175</u>	<u>131,674</u>	<u>5,518,279</u>
Other comprehensive income :					
Item that will not be reclassified subsequently to profit or loss:					
Remeasurements of post-employment benefit obligations, net of tax		(463,317)	-	(173,988)	-
Item that will be reclassified subsequently to profit or loss:					
Exchange differences on translation		660	651	-	-
Total comprehensive income for the year		<u>(3,269,686)</u>	<u>4,400,826</u>	<u>(42,314)</u>	<u>5,518,279</u>
(Loss) profit for the year attributable to:					
Owners of the parent		(2,814,348)	4,411,522	131,674	5,518,279
Non-controlling interests		7,319	(11,347)	-	-
(Loss) profit for the year		<u>(2,807,029)</u>	<u>4,400,175</u>	<u>131,674</u>	<u>5,518,279</u>
Total comprehensive income for the year attributable to:					
Owners of the parent		(3,276,901)	4,412,173	(42,314)	5,518,279
Non-controlling interests		7,215	(11,347)	-	-
Total comprehensive income for the year		<u>(3,269,686)</u>	<u>4,400,826</u>	<u>(42,314)</u>	<u>5,518,279</u>
Basic earnings per share attributable to owners of the parent	13				
- Basic (Baht per share)		(0.09)	0.18	0.00	0.22

The accompanying notes on pages 12 to 93 are an integral part of these financial statements.

True Corporation Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2016

Consolidated financial statements												Baht Thousand	
Attributable to owners of the parent													
Notes	Issued and fully paid-up Common shares	Premium on shares	Discount on shares	Legal reserve	Deficits	Other components of equity				Total owners of the parent	Non-Controlling interests		Total
						Change in non-controlling interests	Translating financial statement	other components of equity	Total				
33	246,079,282 (147,647,569)	11,432,046 (11,432,046)	(121,995,050) 121,995,650	34,881 (34,881)	(63,639,150) 37,118,846	(1,784,712)	8,590	(1,776,122)	70,135,287	591,087	70,726,374	-	

The accompanying notes on pages 12 to 93 are an integral part of these financial statements.

True Corporation Public Company Limited
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2016

	Notes	Separate financial statements					Baht Thousand
		Issued and fully paid-up common shares	Premium on shares	Discount on shares	Legal reserve	Retained earnings (deficits)	
Opening balance as at 1 January 2015							
Par value deduction	33	246,079,282 (147,647,569)	11,432,046 (11,432,046)	(121,995,650) 121,995,650	34,881 (34,881)	(37,152,258) 37,118,846	98,398,301 -
Appropriation of legal reserve	34	-	-	-	275,914	(275,914)	-
Total comprehensive income for the year		-	-	-	-	5,518,279	5,518,279
Closing balance as at 31 December 2015		98,431,713	-	-	275,914	5,208,953	103,916,580
Opening balance as at 1 January 2016							
Issue of shares	33	98,431,713	-	-	275,914	5,208,953	103,916,580
Dividends paid	42	35,041,068	26,384,073	-	-	-	61,425,141
Appropriation of legal reserve	34	-	-	-	-	(1,640,532)	(1,640,532)
Total comprehensive income for the year		-	-	-	6,584	(6,584)	-
Closing balance as at 31 December 2016		133,472,781	26,384,073	-	282,498	3,519,523	163,658,875

The accompanying notes on pages 12 to 93 are an integral part of these financial statements.

True Corporation Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from operating activities	36	8,096,130	3,333,050	(2,046,871)	(3,618,134)
Cash flows from investing activities					
Withdrawal of restricted cash		536,878	583,546	516,613	541,574
Deposit in short-term investments		(499,452)	(20)	(499,459)	(1,775)
Loans made to related parties	41	(300)	-	(27,920,000)	(49,367,000)
Acquisition of property, plant and equipment		(33,259,990)	(27,942,984)	(26,899)	(55,025)
Acquisition of intangible assets		(13,725,453)	(24,714,729)	(16,523)	(1,901)
Repayment received from loan to related parties	41	300	-	44,735,000	39,002,000
Investment in subsidiaries	20	-	-	(67,250,930)	(12,000)
Investment in associate and joint ventures	20	(92,345)	(25,000)	-	-
Investment in other companies		-	(2,439)	-	-
Reclassification of investment		-	(46,862)	-	-
Proceeds from disposals of property, plant and equipment and intangible assets		71,519	838,037	11,972	2,542
Dividends received	41	1,556,866	1,556,857	1,957,495	1,516,046
Net cash used in investing activities		(45,411,977)	(49,753,594)	(48,492,731)	(8,375,539)
Cash flows from financing activities					
Issue of common shares	33	59,948,800	-	59,948,800	-
Subscription of newly issued shares in subsidiary by non-controlling interests	20	14,154	90,000	-	-
Addition investment in subsidiary by purchasing shares from non-controlling interest	20	(7,671)	(12)	-	-
Proceeds from loans from subsidiaries	41	-	-	3,980,000	9,805,000
Proceeds from short-term borrowings, net of cash paid for debt issuance cost		77,191,638	57,338,838	26,110,738	38,194,884
Proceeds from borrowings, net of cash paid for debt issuance cost	27	22,950,216	33,134,012	-	8,205,447
Repayments to short-term borrowings		(69,789,700)	(30,510,000)	(25,325,000)	(24,750,000)
Repayments to loans from subsidiaries	41	-	-	(4,535,000)	(9,950,000)
Repayments to borrowings	27	(13,177,486)	(9,699,070)	(6,205,835)	(7,969,670)
Dividends paid	42	(164,190)	-	(164,190)	-
Net cash received from financing activities		76,965,761	50,353,768	53,809,513	13,535,661
Net increase in cash and cash equivalents		39,649,914	3,933,224	3,269,911	1,541,988
Opening balance		10,590,382	6,611,594	2,193,900	651,912
Effects of exchange rate changes		(56,483)	45,564	-	-
Closing balance		50,183,813	10,590,382	5,463,811	2,193,900

Non-cash transactions

Significant non-cash transactions are as follows:

	Consolidated financial statements	
	31 December 2016	31 December 2015
	Baht Million	Baht Million
Acquisition of property, plant and equipment using finance leases	2,878.97	1,966.57
Acquisition of property, plant and equipment and intangible assets, not yet paid	132,183.27	45,246.96

The accompanying notes on pages 12 to 93 are an integral part of these financial statements.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

1. General information

True Corporation Public Company Limited ("the Company") is a public limited company, incorporated and resident in Thailand. The address of its registered office is 18 True Tower, Ratchadaphisek Road, Huai Khwang, Bangkok, Thailand. The Company is listed on the Stock Exchange of Thailand.

The Company and its subsidiaries (together "True Group", or "the Group") are principally engaged in the telecommunications and diversified communications industries. The Group's core business is providing telecommunications services and various value-added services, which include, among others, Digital Data Network ("DDN"), Public Telephone, Multimedia, Internet Service Provider ("ISP"), Mobile Phone Service, and Pay-TV Service.

The Group's activities include those carried out Joint Operation and Joint Investment Agreement, Agreements and licences for operation, as set out in Note 2.

The Group consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 February 2017.

2. Joint Operation, Joint Investment Agreement and Agreements and licences for operation

Telephone services

In August 1991, the Company entered into the Joint Operation and Joint Investment for Expansion of Telephone Services Agreement ("the Agreement") with the TOT.

The Agreement, a Build Transfer Operate ("BTO") agreement, as amended and supplemented, granted the Company the right to construct and provide fixed line telephone services for up to 2.6 million lines in the Bangkok Metropolitan Area. The Company was responsible for:

- 1) procuring and constructing the expansion of the existing TOT network.
- 2) on completion of construction of the network expansion, transferring legal ownership of certain network assets, land and buildings to TOT.
- 3) in consideration of the transferred assets receiving a right to operate, maintain the network and provide certain services for 25 years including:
 - fixed line telephone;
 - Personal Communication Telephone;
 - public telephone (Build Operate Transfer);
 - Digital Data Network;
 - acceptance of fault notification and drop wire maintenance; and
 - customer service centre.

Under the provisions of the Agreement, TOT and the Company share the gross revenues collected from operating the networks according to stipulated percentages.

On 8 December 2006, a subsidiary, TICC was granted a Type III licence by NTC for fixed line services. TICC is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 7 December 2026.

On 25 January 2007, a subsidiary, TIC was granted a Type III licence by NTC for International Direct Dialling (IDD). TIC is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 24 January 2027.

On 29 June 2014, a subsidiary, TPC was granted a Type I, renewal licence by the NBTC for public phone services. TPC is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 28 June 2019.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2. Joint Operation, Joint Investment Agreement and Agreements and licences for operation (Cont'd)

Telephone services (Cont'd)

On 11 October 2014, a subsidiary, TI was granted a Type I, renewal licence by NBTC for International Calling Cards (ICC). TI is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 10 October 2019.

NON-POTS services

In October 1997, a subsidiary, TM entered into a Joint Investment in Non-Plain Old Telephone System ("NON-POTS") services through a Multimedia Network Agreement (the "Agreement") with TOT. Under the terms of the Agreement, TM has certain commitments such as, among others, to acquire, install, manage and maintain the hardware and equipment for NON-POTS services. TM is also committed to transfer to TOT all hardware and equipment pertaining to such system when the installations are completed. This Agreement is for a period of twenty years commencing from the Agreement date and will be expired on 20 October 2017. TM is unable to terminate it unless certain criteria specified in the Agreement have been met. During the term of the Agreement, TM is entitled to collect the service fees, membership fees and other service fees from customers as stipulated in the Agreement.

TM has placed a letter of guarantee issued by a local bank in favour of TOT amount of Baht 5.00 million to guarantee the TM's compliance with the terms of the Agreement.

Internet services

On 19 May 2016, a subsidiary, TIG was granted a Type II, renewal licence by NBTC for international internet gateway provision. TIG is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 18 May 2021.

On 23 June 2014, a subsidiary, KSC was granted a Type I, renewal licence by NBTC for internet provision. KSC is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 22 June 2019.

On 18 August 2014, a subsidiary, TI was granted a Type I, renewal licence by NBTC for internet provision. TI is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 17 August 2019.

Mobile Phone services

On 27 January 2011, a subsidiary, BFKT entered into an agreement with CAT to lease telecommunication equipment under HSPA technologies for the term of 14.5 years. Under the terms and conditions of HSPA agreement, BFKT has certain commitments including acquiring, installing, managing and maintaining all equipment necessary to provide mobile phone service using HSPA technology according to the capacity stipulated in the agreement and amended agreement executed on 3 December 2013 for the period of 14.5 years. As consideration of providing such services, BFKT entitles to receive a revenue as stipulated in the agreement.

On 27 January 2011, a subsidiary, RMV entered into a re-sales and wholesales agreement with CAT ("the Agreement"). Under the terms and conditions of the Agreement, RMV provides mobile phone services using HSPA technology wholesale from CAT for the period of 14.5 years. On 16 December 2015, RMV was granted renewal Type I licences by NBTC for resale mobile services and internet services. RMV is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licences. The licences will be expired on 15 December 2020.

These subsidiaries have placed letters of guarantee issued by certain local banks in favour of CAT totalling Baht 200.00 million to guarantee the Group's compliance with the terms of the agreements.

True Corporation Public Company Limited
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For the year ended 31 December 2016

2. Joint Operation, Joint Investment Agreement and Agreements and licences for operation (Cont'd)

Mobile Phone services (Cont'd)

On 7 December 2012, a subsidiary, TUC was granted the 2.1 IMT GHz Bandwidth licence by NBTC. The licence awarded three spectrums bandwidth licence and authorised TUC to provide mobile service under those spectrums bandwidth for 15 years. The maturity date will be on 6 December 2027. TUC must comply with the terms and conditions stipulated in the licence.

On 4 December 2015, a subsidiary, TUC was granted the 1800MHz Bandwidth licence by NBTC. The licence covered with two spectrums bandwidth licence and authorised TUC to provide mobile service under those spectrums bandwidth for 18 years. The maturity date will be on 15 September 2033. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence. TUC has placed letter of guarantee issued by local banks in favour of NBTC totaling Baht 21,288.72 million (including value added tax) for the unpaid licence fee.

On 14 March 2016, a subsidiary, TUC was granted with the 900MHz Bandwidth licence by NBTC. The licence authorized TUC to provide mobile service for 15 year. The maturity will be on 30 June 2031. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence. TUC has placed letter of guarantee issued by local banks in favour of NBTC totaling Baht 73,036.06 million (including value added tax) for the unpaid licence fee.

Pay-TV services

The Group has invested in True Cable. True Cable is engaged in the operation of pay television networks (Cable Television) under the agreement granted by MCOT on 6 June 1994 an amendment thereto on 9 November 1994 which will be expired on 31 December 2019. Under the aforementioned agreement, True Cable is required to pay annual fees to MCOT based on a fixed percentage of revenue from subscription and installation or at the minimum fee as specified in the agreement, whichever is higher (Note 38.3). In addition, True Cable must transfer the ownership of certain equipment procured for the operations of television networks to MCOT within the periods specified in the agreement.

True Cable has placed letters of guarantee issued by certain local banks in favour of MCOT totalling Baht 31.20 million to guarantee the Group's compliance with the terms of the agreement.

A subsidiary, TVG was granted with broadcasting network license for non - frequency business at national level over the period of 15 years which will expire on 20 January 2028. TVG and its subsidiaries, CNP and PTE were granted with several licences for the operation of television broadcasting service, which were awarded by the NBTC. Under the terms and conditions of the service licence the subsidiaries are committed to pay annual fee to NBTC and revenue contribution at a certain percentage stipulated in the licence.

On 25 April 2014, NBTC granted the licence for the spectrum of television broadcasting service via digital system to True4U and TNN, subsidiaries of the Group. The licence has awarded the right to utilise spectrum bandwidth to operate Standard Variety channel for True4U and to operate News Channel for TNN over the period of 15 years. The subsidiaries must comply with the terms and conditions and pay the licence fee as stipulated in the licence. The subsidiaries has placed letter of guarantee issued by the local banks in favour of NBTC totaling Baht 2,010.10 million (including value added tax) for the unpaid licence fee.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

3. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below.

3.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the accounting Act B.E. 2543, being those Thai financial reporting standards issued under the accounting profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention as modified by the revaluation of trading and available-for-sale securities at fair value.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3.2 Revised accounting standards and financial reporting standards

3.2.1 New/Revised financial reporting standards are effective on 1 January 2016.

Revised accounting standards and financial reporting standards are effective on 1 January 2016. These standards are relevant to the group.

TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 40 (revised 2015)	Investment property
TFRS 3 (revised 2015)	Business combinations
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement

TAS 19 (revised 2015), "Employee benefits" is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TAS 24 (revised 2015), "Related party disclosures" includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the "management entity"). Disclosure of the amounts charged to the reporting entity is required. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

3. Accounting policies (Cont'd)

3.2 Revised accounting standards and financial reporting standards (Cont'd)

3.2.1 New/Revised financial reporting standards are effective on 1 January 2016. (Cont'd)

TAS 36 (revised 2015), "Impairment of assets" is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TAS 40 (revised 2015), "Investment property" clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TFRS 3 (revised 2015), "Business combinations" clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TFRS 8 (revised 2015), "Operating segments" requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker. The Group has assessed the full impact of this standard and already applied this standard.

TFRS10 (revised 2015) "Consolidated financial statements" is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose. The Group has assessed the full impact of this standard and already applied this standard.

TFRS 13 (revised 2015), "Fair value measurement" is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced). The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

3. Accounting policies (Cont'd)

3.2 Revised accounting standards and financial reporting standards (Cont'd)

3.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

(a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

3. Accounting policies (Cont'd)

3.2 Revised accounting standards and financial reporting standards (Cont'd)

3.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

(a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

The management is currently assessing the impact of these financial reporting standards.

(b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group.

There are 47 financial reporting standards with minor changes. The management is currently assessing the impact of these financial reporting standards.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

3. Accounting policies (Cont'd)

3.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Thai Baht, which is the company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gain and loss resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income or income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.4 Cash and cash equivalents

In the consolidated and separate statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and separate statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

True Corporation Public Company Limited
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3. Accounting policies (Cont'd)

3.5 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gain and loss of trading investments are recognised in profit or loss. The unrealised gain and loss of available-for-sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

3.6 Trade accounts receivables

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss under administrative expenses.

True Corporation Public Company Limited
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3. Accounting policies (Cont'd)

3.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the moving average cost method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimation of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

3.8 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and impairment loss.

3.9 Investments in subsidiaries, associates and interests in joint ventures

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

True Corporation Public Company Limited
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3. Accounting policies (Cont'd)

3.9 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(a) Subsidiaries (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal subsidiaries are set out in Note 20.

(b) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gain or loss on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of the entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

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3. Accounting policies (Cont'd)

3.9 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of loss in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further loss, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised loss are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gain and loss arising in investments in associates are recognised in the profit or loss.

In the separate financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal associates are set out in Note 20.

(d) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The details of the Group's principal joint ventures are set out in Note 20.

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3. Accounting policies (Cont'd)

3.10 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. The original cost includes directly attributable costs relating to acquisition of each asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Details of useful lives are as follows:

	Years
Land improvement	20
Buildings and improvements	10 - 40
Telephone network equipment	
- Switching equipment	15
- Transmission	15 - 35
- Outside plant	15 - 35
- Mobile phone network equipment	8 - 25
- Wifi equipment	5 - 25
Public phone	8 - 15
Power supply and computer	5 - 15
Network management systems	15
Pay TV	3 - 20
Multimedia network equipment	5 - 35
Vehicle	5 - 7
Leasehold building improvements	Lease period
Furniture, fixtures, tools and office equipment	5 - 10

The assets' residual values and useful lives are annually reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or loss on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

3.11 Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases - where the Group is the lessor

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

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3. Accounting policies (Cont'd)

3.12 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment loss. Impairment loss on goodwill are not reversed. Gain and loss on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

3.13 Intangible assets

(a) Computer software development costs

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use or sell it;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product including the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed ten years.

(b) Copyright

Copyright arisen from contractual right agreement between a subsidiary and its related party to grant that related party the right to provide song and/or video clip downloading through the subsidiary's website. Copyright is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the contractual right not exceeding a period of four years.

(c) Film rights and program rights

Film rights and program rights are stated at acquisition cost less accumulated amortisation. Film rights and program rights are recorded as assets and liabilities for rights acquired and obligations incurred under licence agreements when the licence period begins, the cost of each program is known or reasonably determinable, the program material is accepted and it is available for the first showing. Sports rights are written off upon showing the event and general entertainment and films are amortised on a straight-line basis over the shorter of the period of the licence and two years or based on showings where the number of showings is limited or amortised after the first broadcast to be based on the ratio relating to the expected revenue earned from each of the revenue-generated program over the lifetime of planned broadcast but not exceeding five years. Amortisation of film and program rights is included in "Cost of providing services".

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3. Accounting policies (Cont'd)

3.13 Intangible assets (Cont'd)

(d) Rights to operate

Under the subsidiaries' agreements for operation, the subsidiaries must pay annual fees to the grantors based on either fixed percentages of relevant revenues or at the minimum fee amounts stipulated in the agreements whichever is higher. The rights to operate represent the present value of the minimum fees payable over the agreement periods. The rights to operate are presented in the consolidated statement of financial position as an intangible asset and are amortised using the straight-line method over the agreement periods. Amortisation of rights to operate are included in "Cost of providing services". The rights to operate are not re-valued subsequent to initial recognition but are reviewed annually for impairment.

(e) Service contract

Under the subsidiary's service contract, the service contract represented the present value of the service revenue receivable over the agreement period. The service contract is presented in the consolidated statement of financial position as an intangible asset and are amortised using the straight-line method over the agreement period. The amortisation of service contract is included in "Cost of providing services". The service contract is not re-valued subsequent to initial recognition but are reviewed annually for impairment.

(f) Cost of spectrum licences

Cost of spectrum licences consisted of spectrum licences for mobile service, television broadcasting and other directly attributable cost of licence acquisition. The costs of licence were initial recognition by measuring at the cash equivalent price based on the present value of the consideration at the time of acquisition. The difference between present value of the payment and total payment will be recognised as finance cost over the payment period. Cost of licences at present value will be amortised over the licences period. The costs of spectrum are not re-valued subsequent to initial recognition but are reviewed annually for impairment.

(g) Right to use transponder

Right to use transponder is under long-term lease agreement and will be amortised over the lease agreement of twelve years which is shorter than its estimated economic useful life.

(h) Other intangible assets

Other intangible assets represent the cost which equal to fair value of shares issued in exchange for rights to operate NON-POTS services and to hang dropwire. These intangible assets are amortised using the straight-line method over their estimated useful lives, ranging from twenty to twenty five years.

3.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subjected to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.15 Subscriber acquisition cost

Subscriber acquisition cost is the cost of essential equipment necessary for customers to use the Group's services, including telephone handsets distributed to subscribers free of charge. Subscriber acquisition cost is amortised over the future economic benefit period. Subscriber acquisition cost is included in other current assets and other non-current assets.

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3. Accounting policies (Cont'd)

3.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the taxation authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.17 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of reporting date.

3.18 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating loss.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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3. Accounting policies (Cont'd)

3.19 Employee benefits

Provident fund

The Group operates a provident fund, being a defined contribution plan. The assets of which are held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the relevant Group of companies. The Group's contributions to provident fund are charged to the profit or loss in the period to which the contributions relate.

Legal severance pay

Legal severance pay is defined as an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

3.20 Share capital

- (a) Ordinary shares is classified as equity.
- (b) External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.
- (c) Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.21 Revenue recognition

Online business

Telephone usage revenues for local and domestic long distance calls are recognised based on completed call time at the tariffs set by TOT. Where a billing period does not coincide with a calendar month the Company estimates the local call usage based on historical usage. Telephone usage revenue earned but not billed is included in the statement of financial position in accounts receivable.

Inbound and outbound international long distance calls are connected through the CAT network. CAT bills the Company's customers directly for international calls. CAT pays each carrier at the agreed rate per minute for international traffic. The Company recognises international long distance call revenue based on customer usage reported to the Company by CAT.

Revenue from DDN service is recognised rateably over the service period. Annual revenues from DDN service billed but unearned income are included in the statement of financial position in unearned income.

Revenue derived from the installation of fixed lines and the activation of PCT services is recognised on completion of installation services and activation of services. Unearned advance receipts are included in the statement of financial position in unearned income.

Revenues from public telephone services are recognised according to metered usage and cash received.

Revenues from internet services are recognised according to actual time used by the customers.

Sales of telephone equipment and handsets are recognised on delivery of equipment and handsets or customer acceptance.

Revenues from radio program are recognised when the program is broadcasted.

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3. Accounting policies (Cont'd)

3.21 Revenue recognition (Cont'd)

Wireless business

Revenues from mobile phone services are recognised based on completed call time. Cash received from selling of scratch cards is recognised as unearned income until such time that the customers make calls.

Inbound and outbound international long distance calls are connected through the CAT network. CAT bills the Company's customers directly for international calls. CAT pays each carrier at the agreed rate per minute for international traffic. The Company recognises international long distance call revenue based on customer usage reported to the Company by CAT.

Revenue from equipment rental is recognised on an accrual basis at the rates stipulated in the lease agreement. Revenue from providing services is recognized when services are rendered.

Sales of mobile phone are recognised upon delivery of equipment, handsets or customer acceptance.

Pay-TV business

Revenues from monthly subscription fees are recognised in the month in which the service is provided, commencing from completion of installation. Monthly subscription fees include a rental charge to subscribers who rent rather than purchase set-top boxes.

Revenues from sponsorship agreements and commissions on media are recognised upon the showing of the program for which the sponsorship payments are made.

Revenue from equipment installation and connection fees are recorded as unearned income when the installation is accomplished and recognised over estimated subscription period.

Revenue from maintenance services is recognised when the maintenance service is completed.

Revenue from the sale of music albums is the invoiced value of goods supplied net of output tax, goods returned and discounts.

Revenues from production of concerts represent the income from production of concerts and shows, which are recognised as income when the concerts and shows have taken place.

Subscription fees received in advance is recorded as deferred revenue and recognised as income when services are rendered according to the terms of subscribers' agreements.

Sales of set-top boxes are recognised on delivery of set-top boxes or customer acceptance.

Group

In accordance with the agreements described in Note 2, TOT and MCOT are entitled to receive a share of certain revenues generated by the Group. The revenues sharing are calculated according to the percentage and methodology as stipulated in the agreements. The revenue sharing is included in cost of providing services.

All revenues have been presented net of cash discounts and related cash-based promotions.

Other revenues earned by the Group are recognised on the following basis:

- royalty and rental income - on an accrual basis;
- interest income - on an effective yield basis; and
- dividend income - when the Group's right to receive payment is established.

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3. Accounting policies (Cont'd)

3.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as group management that makes strategic decisions.

3.23 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

4. Restatement and change in accounting estimate

4.1 Restatement

On 4 December 2015, a subsidiary, TUC was granted the 1800MHz Bandwidth licence by NBTC. The licence authorised TUC to provide mobile service under those spectrums for 18 years. During 2016, the Group identified additional directly attributable costs of acquisition of licence, which should have been capitalised as initial cost of licence and made adjustment to the 2015 financial statements. The adjustment has immaterial impact on the statement of comprehensive income for the year ended 31 December 2015.

On 5 March 2015, a subsidiary, AWC, entered into agreements with DIF to lease out the fiber optic cable to DIF with lease term of 20 years. The 2015 financial statements, the assets relating to agreement were previously reported as Property, Plant and Equipment. The Group reclassified these assets to be investment properties in compliance with Thai Accounting Standard No. 40. The reclassification did not have impact to statement of comprehensive income for the year ended 31 December 2015.

These adjustments are not relevant to 2014. Therefore the statement of financial position as at 1 January 2015 is not required to be presented.

The adjustments to the statement of financial position as at 31 December 2015 are as follows:

	Consolidated financial statements		
	As previously reported Baht Million	Adjustment Baht Million	As restated Baht Million
Statement of financial position as at 31 December 2015			
Trade and other receivables	38,628.42	(53.21)	38,575.21
Investment property, net	5.53	790.72	796.25
Property, plant and equipment, net	98,456.92	(790.72)	97,666.20
Intangible assets, net	69,927.50	733.48	70,030.98
Trade and other payables	65,865.89	425.78	66,291.67
Liabilities under agreements and licences for operation	86.05	20,816.21	20,902.26
Other non-current liabilities	36,785.44	(20,561.72)	16,223.72

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4. Restatement and change in accounting estimate

4.2 Change in accounting estimate

In compliance with Thai Accounting Standard No. 16, Property, Plant and Equipment and the Group's accounting policy regarding annually review of the useful lives of property and equipment, the management conducted a review and concluded that useful lives of certain classes of equipment should be extended taking into consideration of key factors including technology development, well-maintenance standard and usage conditions, benchmarking with international telecommunication industry and obtaining opinion from expert engineer. The Group changed the estimated useful lives commencing 1 January 2016. Sets out below are the comparisons between previous and new useful lives.

	Previous useful lives Years	New useful lives Years
Mobile phone network equipment	12	15
Router Modem	5	7

Effect of the change to the consolidated statement of comprehensive income for the year ended 31 December 2016 can be summarised as follows:

	Consolidated statement of comprehensive income	
	Previous useful life Baht Million	New useful life Baht Million
Depreciation charges	6,624.33	4,715.42

5. Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

(a) Foreign exchange rate risk

Purchases of network equipment are mainly made in foreign currencies. In order to manage the risk arising from fluctuations in currency exchange rates, the Group makes use of forward foreign exchange contracts. Trading of the forward foreign exchange contracts for speculative purpose is prohibited by the Group's policy

External foreign exchange forward contracts are designated at Group level as hedges of foreign exchange rate risk on specific assets, liabilities and future transactions in Note 5.2.

(b) Interest rate risk

Interest rate risk occurred from the changes in market interest rates which it may impact to the Group's earnings and cash flows. However, the Group income and operating cash flow are not substantially dependent of changes in market interest rates. In addition, the Group has not entered into any financial instruments to protect the interest rate risk.

(c) Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

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5. Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

(d) Liquidity risk (Cont'd)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

5.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments comprising of foreign currency forward contracts. Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled.

The instruments are recognised at cost in the financial statements on inception date and at fair value using forward exchange market rates at the end of reporting period. The unrealised gains or losses on the derivative instruments will be recognised in profit or loss statements and as receivable or payable in the statement of financial position on each reporting date. On the settlement date, any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 37.

6. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are outlined below.

6.1 Critical accounting estimates and assumptions

(a) Estimated impairment of goodwill, property, plant and equipment and intangible assets

The Group tests annually whether goodwill has suffered any impairment, in accordance with accounting policy stated in Note 3.12. The Group also considers impairment indicator for property, plant and equipment and intangible assets. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The change in the assumption used would impact the recoverable amount.

In testing impairment of goodwill, if the estimated cost of capital used in determining the post-tax discount rate applied to the discounted cash flows had been 10% higher than management's estimates (for example, 11.33% instead of 10.30%), value in use of goodwill would be higher than carrying value of segment goodwill, then, goodwill for all segments would have not been impaired.

(b) Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit loss. The management uses judgment to establish reserves for estimated loss for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of percentage of revenues, analysis of debt aging, collection experience, and taking into account of change in the current economic environment. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable loss and adjustments to the allowances may therefore be required in the future.

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6. Critical accounting estimates and judgements (Cont'd)

6.1 Critical accounting estimates and assumptions (Cont'd)

(c) Useful lives for property, plant and equipment and intangible assets

The Group's property, plant and equipment and intangible assets are deal with telecommunication network and computer system network. The annual depreciation charge is sensitive to the estimated useful lives and residual values allocated to each type of asset. Useful lives and residual values are assessed annually and change when necessary to reflect current situation on their remaining useful lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned.

(d) Deferred tax

Deferred tax assets and liabilities are recognised for temporary difference arising between tax bases of assets and liabilities and their carrying amount for accounting purposes as at the end of reporting date. Significant management judgment is used in considering whether it is highly probable that the Group will generate sufficient taxable profits from its future operations to minimize these deferred tax assets. The Group's assumptions regarding the future taxable profits and the anticipated timing of minimize of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on financial position and results of operations.

(e) Borrowings

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the director's expect would be available to the Group at the end of reporting date. The change in the discount rate would impact the fair value of the borrowings.

(f) Employee benefits

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of high-quality government bonds that are denominated in the currency in which the benefits will be paid.

Other key assumptions for employee benefits are based in part on current market conditions. Additional information is disclosed in Note 31.

If the discount rate used differs by 1% from management's estimates, the carrying amount of employee benefits would be lower by Baht 205.23 million and higher by Baht 242.88 million.

(g) Service contract

The present value of the service contract on initial date is calculated from the discounted cash flow of estimated revenue from service agreement using a discount rate based upon the Group's Weighted Average Cost of Capital ("WACC"). Any change in these assumptions will have an impact on the carrying amount of service contract.

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6. Critical accounting estimates and judgements (Cont'd)

6.2 Critical judgements in applying the entity's accounting policies

(a) Consolidation of the entity in which the Group holds less than 50%.

Management consider that the Group has de facto control of TKSC even though it has less than 50% of the voting rights. The Group has control and power to govern the financial and operating policies of TKSC and there is no history of other shareholders forming a group to exercise their votes collectively. Consequently, this investment has been classified as a subsidiary and consolidated to the Group's consolidated financial statements.

(b) Investment in associates

Management has assessed the level of influence that the Group has on DIF and True GS and determined that it has significant influence even though the shareholding are 28.11% and 45.00%, respectively. Consequently, these investments have been classified as associates.

(c) Joint arrangements

The Group holds various percentages of the voting rights of its joint arrangements. The Group has joint control over these arrangements as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities.

The Group's joint arrangements are structured as limited companies and provide the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, these arrangements are classified as joint venture.

7. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

True Corporation Public Company Limited
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8. Consolidated segment information

The Group Management is the Group's chief operating decision-maker. The Group Management has determined the operating segments based on the information reviewed by the Group Management for the purposes of allocating resources and assessing performance.

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment. The Group Management considers the business from three services categories, Online, Wireless and Pay-TV of which are consisted of the following:

- **Online** to install and provide services of 2.6 million fixed lines including public telephone and related value added service, data service, multimedia services, broadband service, internet service and other services;
- **Wireless** to provide reselling of 3G services using HSPA technology, network equipment rental, providing mobile service under the 2.1 IMT GHz Bandwidth licence, 1800MHz., 900MHz., sales of handsets and accessories and other supporting services in the Group; and
- **Pay-TV** to provide pay television services both via cable and satellite platform, rental and trading of related equipment and other related services to the pay television business, advertising sale and agency.

No single customer represents a major customer because the Group has large number of customers, who are end users covering business and individuals.

The Group Management assesses the performance of the operating segments based on a measure of adjusted EBITDA and net income on ongoing operation. This measurement basis excludes discontinued operations and the effects of non-recurring expenditure from the operating segments.

Revenue

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Group Management is measured in a manner consistent with that in the statements of comprehensive income.

	Baht Million					
	For the year ended 31 December 2016			For the year ended 31 December 2015		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
Online	28,300.12	(5,264.04)	23,036.08	33,204.58	(5,470.88)	27,733.70
Wireless	93,876.28	(1,890.77)	91,985.51	82,670.90	(1,117.57)	81,553.33
Pay-TV	12,405.86	(2,708.25)	9,697.61	12,193.86	(2,700.21)	9,493.65
Total	134,582.26	(9,863.06)	124,719.20	128,069.34	(9,288.66)	118,780.68

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8. Consolidated segment information (Cont'd)

EBITDA

	Baht Million					
	For the year ended 31 December 2016			For the year ended 31 December 2015		
	Included inter segment	Inter-segment	Excluded inter segment	Included inter segment	Inter-segment	Excluded inter segment
Online	8,734.86	(3,475.87)	5,258.99	11,523.05	(3,793.64)	7,729.41
Wireless	15,539.89	4,833.74	20,373.63	10,123.43	5,112.41	15,235.84
Pay-TV	1,318.68	(1,880.13)	(561.45)	902.01	(1,757.85)	(855.84)
Total EBITDA	25,593.43	(522.26)	25,071.17	22,548.49	(439.08)	22,109.41
Depreciation and amortisation	(25,830.59)	267.81	(25,562.78)	(17,650.43)	148.66	(17,501.77)
Interest income	838.75	(396.54)	442.21	767.40	(624.96)	142.44
Interest expenses	(5,068.07)	396.54	(4,671.53)	(3,522.17)	624.96	(2,897.21)
Other finance costs	(106.80)	-	(106.80)	(142.63)	-	(142.63)
Finance costs related to licences	(1,422.35)	-	(1,422.35)	(194.12)	-	(194.12)
Gain on sale investment	-	-	-	0.09	(0.09)	-
Income tax:						
Current tax expenses	(259.58)	-	(259.58)	(473.51)	-	(473.51)
Deferred income tax	(230.06)	-	(230.06)	222.16	-	222.16
Share of results	4,608.62	-	4,608.62	1,413.98	-	1,413.98
Non-controlling interest	(74.10)	66.78	(7.32)	27.73	(16.38)	11.35
(Loss) profit on going operation	(1,950.75)	(187.67)	(2,138.42)	2,996.99	(306.89)	2,690.10
(Loss) profit on going operation before deferred income tax	(1,720.69)	(187.67)	(1,908.36)	2,774.82	(306.89)	2,467.93
Foreign exchange (loss) gain	(155.72)	-	(155.72)	498.00	-	498.00
Other (expenses) income	(516.97)	(3.24)	(520.21)	1,237.44	(14.02)	1,223.42
(Loss) profit for the year	(2,623.44)	(190.91)	(2,814.35)	4,732.43	(320.91)	4,411.52

Other profit and loss disclosures

	Baht Million					
	For the year ended 31 December 2016			For the year ended 31 December 2015		
	Depreciation and amortisation	Income tax	Share of results	Depreciation and amortisation	Income tax	Share of results
Online	(6,415.60)	(801.58)	4,663.57	(5,978.27)	(294.03)	1,441.50
Wireless	(16,785.27)	65.28	-	(9,413.79)	(11.00)	-
Pay-TV	(2,361.91)	246.66	(54.95)	(2,109.71)	53.68	(27.52)
	(25,562.78)	(489.64)	4,608.62	(17,501.77)	(251.35)	1,413.98

True Corporation Public Company Limited
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8. Consolidated segment information (Cont'd)

Assets

	Baht Million					
	At 31 December 2016			(Restated) At 31 December 2015		
	Total assets	Investment in associates and others	Additions to non-current assets	Total assets	Investment in associates and others	Additions to non-current assets
Online	90,175.52	18,455.95	14,189.20	74,493.95	15,317.67	14,011.49
Wireless	330,609.02	0.40	120,451.01	181,178.62	0.40	58,744.68
Pay-TV	28,175.92	43.62	3,733.49	27,851.96	7.17	4,994.78
	<u>448,960.46</u>	<u>18,499.97</u>	<u>138,373.70</u>	<u>283,524.53</u>	<u>15,325.24</u>	<u>77,750.95</u>

Liabilities

	Baht Million	
	(Restated)	
	At 31 December 2016	At 31 December 2015
Online	80,988.09	83,189.75
Wireless	225,977.87	112,025.23
Pay-TV	10,266.56	13,103.01
	<u>317,232.52</u>	<u>208,317.99</u>

9. Fair value

9.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2016.

	Level 2			
	Consolidated financial statements		Separate financial statements	
	31 December 2016 Baht Million	31 December 2015 Baht Million	31 December 2016 Baht Million	31 December 2015 Baht Million
Asset				
Equity securities - mutual fund	1.91	1.89	1.80	1.78
Derivative receivables	514.42	1,209.51	-	12.09
Total asset	<u>516.33</u>	<u>1,211.40</u>	<u>1.80</u>	<u>13.87</u>
Liabilities				
Derivative payables	23.50	22.99	21.55	-

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9. Fair value (Cont'd)

9.2 Valuation techniques used to derive Level 2 fair values

Level 2 Trading securities are fair valued using a Net Asset Valuation ("NAV") approach as at period end date. The data is publicly available on the Thai Bond Market Association, which is calculated by fund manager of the mutual fund.

Level 2 derivatives instruments are measured based on input that are observable for the types of instruments such as foreign exchange rates observable at commonly quoted in publicly available sources on the statements of financial position date.

10. Expenses by nature

The following items have been included in arriving at operating results:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Direct costs related to revenues	40,653.39	39,257.41	782.11	805.22
Network operating and maintenance	11,855.41	10,904.29	877.99	943.16
Staff costs	12,898.49	11,967.98	2,672.94	2,521.35
Selling, advertising and publicity	5,540.48	5,231.40	796.32	584.49
Doubtful accounts	1,795.45	1,523.41	222.03	217.74
Depreciation				
- owned assets	9,224.39	9,115.15	327.46	344.40
- leased assets under finance leases	1,190.47	1,147.40	-	-
Amortisation				
- Intangible assets (Note 24)	11,927.37	7,100.33	1,412.10	1,421.84
- Others	5,612.09	2,510.16	-	-

11. Finance costs

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Interest expense	4,671.53	2,897.21	2,331.64	2,279.55
Foreign exchange (gain) loss	(34.30)	294.88	8.15	36.56
Finance cost related to licences	1,422.35	194.12	-	-
Other financial fees	106.80	142.63	72.16	61.13
Total finance costs	6,166.38	3,528.84	2,411.95	2,377.24

12. Income tax

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Current tax	(259.58)	(473.51)	-	-
Deferred income tax:				
Origination and reversal of temporary differences (Note 25)	(230.06)	222.16	(398.73)	(413.11)
Income tax	(489.64)	(251.35)	(398.73)	(413.11)

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12. Income tax (Cont'd)

The tax on the Group's profit (loss) before tax differs from the tax amount for filing purposes as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
(Loss) profit before income tax	(2,317.39)	4,651.52	530.40	5,931.39
Tax calculated at the tax rate of 20%	463.48	(930.30)	(106.08)	(1,186.28)
Income not subject to tax	-	34.63	391.50	303.21
Expenses not deductible for tax purposes	422.09	(1,549.62)	(44.32)	(57.21)
Current year tax loss for which no deferred tax asset was recognised	(4,477.07)	(64.39)	(639.83)	-
Utilisation of previously unrecognised deferred tax asset from tax loss	2,180.15	1,975.54	-	527.17
Associates results reported, net of tax	921.71	282.79	-	-
Income tax	(489.64)	(251.35)	(398.73)	(413.11)

Further information about deferred income tax is presented in Note 25.

13. Basic earnings per share

Basic earnings per share is calculated by dividing the profit (loss) attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during 2016. The calculation are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
(Loss) profit attributable to owners of the parent (Baht Million)	(2,814.35)	4,411.52	131.67	5,518.28
Weighted average number of common shares in issue (million shares)	30,859.53	25,021.19	30,859.53	25,021.19
Basic earnings per share (Baht)	(0.09)	0.18	0.00	0.22

14. Cash and cash equivalents

At 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Cash on hand	1,138.51	797.66	57.98	1.60
Deposits held at call with banks	49,045.30	9,792.72	5,405.83	2,192.30
	50,183.81	10,590.38	5,463.81	2,193.90

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15. Restricted cash at bank

Restricted cash consist of:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
At 31 December				
Current	42.36	558.97	42.36	558.97
Non-current	27.70	47.96	-	-
	<u>70.06</u>	<u>606.93</u>	<u>42.36</u>	<u>558.97</u>

Current:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
At 31 December				
Saving deposits	42.36	558.97	42.36	558.97
	<u>42.36</u>	<u>558.97</u>	<u>42.36</u>	<u>558.97</u>

As at 31 December 2015, the Company has deposited in the construction reserve account of Baht 500.00 million as collateral for the contracted party under the terms of asset sale and transfer agreement.

Non-current:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
At 31 December				
Saving deposits	0.82	23.16	-	-
Time deposits	26.88	24.80	-	-
	<u>27.70</u>	<u>47.96</u>	<u>-</u>	<u>-</u>

Under the terms of loan, financing and supplier agreements, certain subsidiaries have deposited in the security accounts as collateral for the contracted parties.

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16. Investments

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Current	502.31	2.84	501.23	1.78
Non-current	325.21	325.21	240.74	240.74
Total	827.52	328.05	741.97	242.52
Current:				
Time deposits	0.97	0.95	-	-
Trading securities - debt securities	499.43	-	499.43	-
Trading securities - equity securities	1.91	1.89	1.80	1.78
Total current investments	502.31	2.84	501.23	1.78

Movement of current investments

For the year ended 31 December 2016	Consolidated financial statements Baht Million	Separate financial statements Baht Million
Opening net book value	2.84	1.78
Additions	1,692.76	1,692.76
Disposal	(1,200.00)	(1,200.00)
Interest received	6.69	6.67
Fair value adjustment	0.02	0.02
Closing net book value	502.31	501.23

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Non-current:				
General investments				
- Non-marketable equity securities	325.21	325.21	240.74	240.74
Total	325.21	325.21	240.74	240.74

Movement of general investments

For the year ended 31 December 2016	Consolidated financial statements Baht Million	Separate financial statements Baht Million
Opening net book value	325.21	240.74
Closing net book value	325.21	240.74

True Corporation Public Company Limited
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17. Trade and other receivables

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	(Restated) 2015 Baht Million	2016 Baht Million	2015 Baht Million
Receivable from TOT	685.29	688.96	685.29	688.96
Billed customers	20,293.14	17,840.74	1,994.15	2,212.60
Receivables and accrued income from related parties (Note 41)	7,873.13	8,805.07	6,176.90	2,704.74
Trade accounts receivable	28,851.56	27,334.77	8,856.34	5,606.30
Accrued income	11,025.30	13,031.44	2,220.65	2,042.13
Total trade accounts receivable	39,876.86	40,366.21	11,076.99	7,648.43
<u>Less</u> Allowance for doubtful accounts	(7,127.71)	(7,558.06)	(3,113.67)	(3,067.99)
Trade accounts receivable, net	32,749.15	32,808.15	7,963.32	4,580.44
Prepaid expenses	2,420.07	2,658.77	80.46	50.91
Other receivable	1,573.90	3,067.12	57.54	58.34
Interest receivable	67.40	41.17	9.37	4.66
Trade account and other receivables	36,810.52	38,575.21	8,110.69	4,694.35

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Current	14,473.16	10,420.93	1,132.24	1,122.48
Less than 3 months	5,524.89	6,225.85	1,205.03	920.43
3 - 6 months	871.59	1,904.95	269.97	791.22
6 - 12 months	3,137.17	3,234.22	4,147.20	657.43
More than 12 months	4,844.75	5,548.82	2,101.90	2,114.74
Trade accounts receivable	28,851.56	27,334.77	8,856.34	5,606.30
Accrued income	11,025.30	13,031.44	2,220.65	2,042.13
Total trade accounts receivable	39,876.86	40,366.21	11,076.98	7,648.43
<u>Less</u> Allowance for doubtful accounts	(7,127.71)	(7,558.06)	(3,113.67)	(3,067.99)
Trade accounts receivable, net	32,749.15	32,808.15	7,963.31	4,580.44

Concentrations of credit risk with respect to trade accounts receivable are limited due to the Group has large number of customers, who are end users of telephone services, covering business and individuals. The Group's experience in the collection of accounts indicates that the allowance provided will be sufficient. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade accounts receivable.

As at 31 December 2016, trade accounts receivable, in the consolidated and separate statements of financial position included accrued income from TOT amount of Baht 252.96 million (2015: Baht 245.57 million) in respect of interconnection fee for TOT service because TOT has not provided sufficient and clarified information to enable the Company to agree with its fee calculation method. The Company has accounted for interconnection fee based on the Company's international call usage records. This matter is under negotiation with TOT. The Company's management believes that the amount is recoverable.

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18. Inventories, net

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Inventories related to networks				
Spareparts for networks (at cost)	214.13	231.97	155.81	162.45
<u>Less</u> Allowance for decline in value	(137.21)	(136.32)	(137.21)	(136.32)
Spareparts for networks, net	76.92	95.65	18.60	26.13
Work in process (at cost)	5,101.38	2,600.89	-	-
Total inventories related to networks, net	5,178.30	2,696.54	18.60	26.13
Merchandise				
Merchandise (at cost)	6,479.67	5,882.44	3.03	3.25
<u>Less</u> Allowance for decline in value	(405.99)	(284.40)	(1.20)	(1.20)
Total merchandise, net	6,073.68	5,598.04	1.83	2.05
Inventories, net	11,251.98	8,294.58	20.43	28.18

During 2016, the damage and obsolete inventories were charged to the consolidated profit or loss for Baht 122.49 million, (2015: reversed to the consolidated profit or loss for Baht 0.43 million).

19. Other current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Value added tax pending receipt of tax invoices	3,075.23	2,755.05	66.54	67.61
Film and program right (Note 24)	555.70	530.78	-	-
Subscriber acquisition cost, net	6,062.72	2,547.34	-	-
Forward Contract Receivables	396.11	1,209.51	-	12.09
Others	-	0.08	-	-
	10,089.76	7,042.76	66.54	79.70

Subscriber acquisition cost comprises mainly essential equipment necessary for customers to use the Group's services, including telephone handset distributed to subscribers free of charge. Subscriber acquisition cost is amortised over the future economic benefit. The amortisation charged in the consolidated financial statements was Baht 5,559.31 million (2015: Baht 2,467.39 million).

20. Investments in subsidiaries, associates and interests in joint ventures, net

20.1 Investment in subsidiaries

Movements of investments in subsidiaries are as follows:

For the years ended 31 December	Separate financial statements	
	2016 Baht million	2015 Baht million
Opening net book value	111,484.96	111,472.96
Additional investments	67,250.93	12.00
Impairment of investments	(57.63)	-
Closing net book value	178,678.26	111,484.96

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20. Investments in subsidiaries, associates and interests in joint ventures, net (Cont'd)

Separate financial statements							
At 31 December 2016							
	Business	Relationship	Paid-up capital Baht Million	% Ownership Interest	Investment - at cost Baht Million	Allowance for impairment Baht Million	Net investment Baht Million
Subsidiaries							
Telecom Holding Co., Ltd.	Holding company	Shareholder	41,519.04	100.00	41,519.04	10,271.43	31,247.61
True Move H Universal Communication Co., Ltd.	Wireless Telecommunication services	Shareholder	144,843.77	100.00	144,843.77	-	144,843.77
True Internet Co., Ltd.	Internet solution provider	Shareholder	2,149.88	100.00	2,149.88	-	2,149.88
K.I.N. (Thailand) Limited	Holding company	Shareholder	192.70	93.62	180.40	180.40	-
True International Gateway Co., Ltd.	Telecommunication and internet services	Shareholder	436.00	100.00	436.00	-	436.00
True Public Communication Co., Ltd.	Telecommunication services	Shareholder	97.00	100.00	97.00	97.00	-
True Vistas Co., Ltd.	Production and distribution of movie films	Shareholder	46.63	100.00	46.63	46.63	-
True Internet Corporation Co., Ltd. (formerly "True Universal Convergence Co., Ltd.")	Telecommunication services and Internet solution provider	Shareholder	10,000.00	0.01	1.00	-	1.00
Total investment in subsidiaries					189,273.72	10,595.46	178,678.26

Separate financial statements							
At 31 December 2015							
	Business	Relationship	Paid-up capital Baht Million	% Ownership Interest	Investment - at cost Baht Million	Allowance for impairment Baht Million	Net investment Baht Million
Subsidiaries							
Telecom Holding Co., Ltd.	Holding company	Shareholder	34,290.24	100.00	34,290.24	10,271.43	24,018.81
True Move H Universal Communication Co., Ltd.	Wireless Telecommunication services	Shareholder	84,844.39	100.00	84,843.77	-	84,843.77
True Internet Co., Ltd.	Internet solution provider	Shareholder	2,149.88	100.00	2,149.88	-	2,149.88
True International Gateway Co., Ltd.	Telecommunication and internet services	Shareholder	436.00	100.00	436.00	-	436.00
K.I.N. (Thailand) Limited	Holding company	Shareholder	192.70	93.62	180.40	180.40	-
True Public Communication Co., Ltd.	Telecommunication services	Shareholder	86.00	100.00	86.00	86.00	-
True Vistas Co., Ltd.	Production and distribution of movie films	Shareholder	35.50	100.00	35.50	-	35.50
True Internet Corporation Co., Ltd. (formerly "True Universal Convergence Co., Ltd.")	Telecommunication services and Internet solution provider	Shareholder	10,000.00	0.01	1.00	-	1.00
Total investment in subsidiaries					122,022.79	10,537.83	111,484.96

True Corporation Public Company Limited
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20. Investments in subsidiaries, associates and interests in joint ventures, net (Cont'd)

Subsidiary undertakings

Name of subsidiaries	% Ownership	Business	Country of Incorporation
AP&J Production Co., Ltd.*	70.00	Entertainment	Thailand
Asia Wireless Communication Co., Ltd.*	100.00	Mobile equipment Lessor	Thailand
Bangkok Inter Teletech Public Company Limited*	99.74	Holding company	Thailand
BeboidCG Company Limited*	84.67	Production of animation	Thailand
BFKT (Thailand) Limited*	100.00	Mobile equipment Lessor	Thailand
Cineplex Co., Ltd.*	100.00	Program production	Thailand
Hutchison CAT Wireless MultiMedia Limited*	68.20	Dormant	Thailand
Hutchison MultiMedia Services (Thailand) Limited*	100.00	Dormant	Thailand
Hutchison Telecommunications (Thailand) Company Limited*	100.00	Dormant	Thailand
Hutchison Wireless MultiMedia Holdings Limited*	92.26	Holding company	Thailand
Internet Knowledge Service Center Co., Ltd.*	56.93	Non-government telecommunication	Thailand
KSC Commercial Internet Co., Ltd.*	56.83	Internet services provider	Thailand
MKSC World Dot Com Co., Ltd.*	91.08	Internet services and distributor	Thailand
Panther Entertainment Co., Ltd.*	99.99	Artist management and related business	Thailand
Real Move Co., Ltd.*	99.74	Reseller of mobile phone service	Thailand
Samut Pakan Media Corporation Co., Ltd.*	99.69	Dormant	Thailand
Satellite Service Co., Ltd.*	99.53	Sales and rental of equipment related to Pay Television	Thailand
SM True Co., Ltd.*	51.00	Artist management and related business	Thailand
Song Dao Co., Ltd.*	99.67	Dormant	Thailand
Tele Engineering and Services Co., Ltd.*	100.00	Content provider	Thailand
Telecom Asset Management Co., Ltd.*	100.00	Marketing management	Thailand
Telecom Holding Co., Ltd.	100.00	Holding company	Thailand
Telecom KSC Co., Ltd.*	34.39	Dormant	Thailand
Thai News Network (TNN) Co., Ltd.*	100.00	News Channel	Thailand
True Distribution and Sales Co., Ltd.*	99.70	Distribution Center Services	Thailand
True4U Station Co., Ltd.*	100.00	Television and related business	Thailand
True Icontent Co., Ltd.*	100.00	Contents provider	Thailand
True Incube Co., Ltd.*	100.00	Holding Company	Thailand
True Information Technology Co., Ltd.*	100.00	IT services and training	Thailand
True International Communication Co., Ltd.*	100.00	Telecommunication services	Thailand
True International Gateway Co., Ltd.	100.00	Telecommunication and Internet service	Thailand
True Internet Co., Ltd.	100.00	Internet solution provider	Thailand
True Internet Corporation Co., Ltd. (formerly "True Universal Convergence Co., Ltd.)	100.00	Telecommunication services and Internet solution provider	Thailand
True Life Plus Co., Ltd.*	100.00	Telecommunication services reseller	Thailand
True Media Solutions Co., Ltd.*	100.00	Advertising sale and agency	Thailand
True Move Co., Ltd.*	99.70	Telecommunication management services	Thailand
True Move H Universal Communication Co., Ltd.	100.00	Wireless Telecommunication services	Thailand
True Multimedia Co., Ltd.*	91.08	NON-POTS and multimedia services	Thailand
True Music Co., Ltd.*	99.67	Content provider	Thailand
True Music Radio Co., Ltd.*	69.94	Trading and production of advertising media	Thailand
True Public Communication Co., Ltd.	100.00	Telecommunication services	Thailand
True Touch Co., Ltd.*	100.00	Call centre services	Thailand
True United Football Club Co., Ltd.*	70.00	Football Club and related activities management	Thailand
True Visions Cable Public Company Limited*	99.10	Pay Television via cable system	Thailand
True Visions Group Co., Ltd.*	100.00	Pay Television	Thailand
True Visions Public Company Limited*	99.53	Pay Television	Thailand
True Vistas Co., Ltd.	100.00	Production and distribution of movie films	Thailand
K.I.N. (Thailand) Co., Ltd.*	100.00	Holding company	British Virgin Island
Gold Palace Investments Limited*	100.00	Holding company	British Virgin Island
Golden Light Co., Ltd.*	100.00	Holding company	Republic of Mauritius
Golsky Co., Ltd.*	100.00	Holding company	Republic of Mauritius
Rosy Legend Limited*	99.74	Holding company	British Virgin Island
Prospect Gain Limited*	100.00	Holding company	British Virgin Island
True Internet Technology (Shanghai) Company Limited*	100.00	Developing, designing, producing and sale of software products	China
True Trademark Holdings Company Limited*	100.00	Holding company	British Virgin Island

* indirectly owned by through a subsidiary

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20. Investments in subsidiaries, associates and interests in joint ventures, net (Cont'd)

Subsidiary undertakings (Cont'd)

Even though the Group has investment in TKSC only at 34.39%, however; the Group has control and power to govern the financial and operating policies of TKSC. Therefore, TKSC is classified as subsidiary of the Group.

Transactions incurred during 2016:

The Company additionally invested in the wholly owned subsidiaries, TUC, TH, TVT and TPC amounting to Baht 60,000.00 million, Baht 7,228.80 million, Baht 11.13 million, and Baht 11.00 million, respectively.

The Company assessed the impairment of investment in TPC and TVT amounting to Baht 11.00 million and Baht 46.63 million, respectively. A impairment loss of Baht 57.63 million was recognised under "Other expense" in the separate statement of comprehensive income for the year ended 31 December 2016.

A subsidiary, Bboyd issued new shares amounting to Baht 108.15 million. Bboyd received subscription from non-controlling interest amounting to Baht 14.15 million.

A subsidiary, GDP, a wholly owned subsidiary, was liquidated and the Group recognised loss from liquidation amounting to Baht 24.88 million under "Other expenses" in the consolidated financial statements.

A subsidiary, BITCO purchased TMV shares amounting to Baht 7.67 million from non-controlling interest. Consequently, the Group's shareholding interest in TMV increased to 99.70%. Loss from change in interest holding in TMV amounting to Baht 7.23 million was recognised directly in equity attributed to the owners of parent in the consolidated financial statements.

A subsidiary, TUC a wholly owned subsidiary, additionally invested in newly issued shares of BITCO amounting to Baht 8,020.00 million. The Group's shareholding interest in BITCO increase to 99.74%. Loss from change in holding interest amounting to Baht 9.73 million was recognised directly in equity attributed to the owners of parent in the consolidated financial statements.

Transactions incurred during 2015:

The Company made additional investment in the wholly owned subsidiary, TVT amounting to Baht 12.00 million.

ADBS, CTV and KIN the wholly owned subsidiaries were liquidated, no material impact to the Group.

Non-controlling interests

The total non-controlling interest as of 31 December 2016 is Baht 675.73 million, of which Baht 476.47 million is for TM. The remaining non-controlling interest is in IKSC, BITCO, TVG, and HWMH. Total amount of non-controlling interest is considered immaterial to the Group's equity.

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20. Investments in subsidiaries, associates and interests in joint ventures, net (Cont'd)

Investments in associates and interests in joint ventures

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Associate	18,101.48	14,947.66	16,327.91	16,327.91
Joint venture	73.28	46.84	-	-
	<u>18,174.76</u>	<u>14,994.50</u>	<u>16,327.91</u>	<u>16,327.91</u>

The amounts recognised in the statement of comprehensive income are as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Share of result				
- Associates	4,659.58	1,477.23	-	-
- joint ventures	(13.85)	(33.79)	-	-
	<u>4,645.73</u>	<u>1,443.44</u>	<u>-</u>	<u>-</u>
Elimination	(37.11)	(29.46)	-	-
	<u>4,608.62</u>	<u>1,413.98</u>	<u>-</u>	<u>-</u>

20.2 Investment in associates

Name of associates	% Ownership	Business	Country of incorporation
Digital Telecommunications Infrastructure Fund ("DIF")	28.11	Invested in telecommunication infrastructure	Thailand
True GS Co., Ltd. *	46.80	Home shopping	Thailand

* indirectly owned

At 31 December 2016		Consolidated financial statements				
		Business	Relationship	Paid-up capital Baht Million	% Ownership interest	Investment - at cost Baht Million
Associates						Investment - at equity Baht Million
Digital Telecommunications Infrastructure Fund	Invested in telecommunication infrastructure	Shareholder		58,080.00	28.11	16,327.91
True GS Co., Ltd.	Home shopping	Shareholder		340.00	46.80	169.11
Total investment in associates						<u>16,497.02</u>
						<u>18,101.49</u>
At 31 December 2015		Consolidated financial statements				
		Business	Relationship	Paid-up capital Baht Million	% Ownership interest	Investment - at cost Baht Million
Associates						Investment - at equity Baht Million
Digital Telecommunications Infrastructure Fund	Invested in telecommunication infrastructure	Shareholder		58,080.00	28.11	16,327.91
True GS Co., Ltd.	Home shopping	Shareholder		240.00	45.00	108.00
Total investment in associates						<u>16,435.91</u>
						<u>14,947.66</u>

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20. Investments in subsidiaries, associates and interests in joint ventures, net (Cont'd)

20.2 Investment in associates (Cont'd)

Movement of interest in associates are as follows:

	Consolidated financial Baht Million
For the year ended 31 December 2016	
Opening net book value	14,947.66
Additions	51.11
Share of results	4,659.58
Dividends received (Note 41)	<u>(1,556.87)</u>
Closing net book value	<u>18,101.48</u>

Transaction incurred during 2016

A subsidiary, TVG made addition investment in True GS amounting to Baht 51.11 million. Accordingly, the Group's shareholding interest in True GS increased to 46.80% (2015: 45.00%)

Transaction incurred during 2015

The Company delivered 2,979 telecommunication towers to DIF in accordance with the agreement dated 24 December 2013. The Group recognised unrealised gain amounting to Baht 1,289.73 million reflecting 28.11% of gain according to the Group's interest in DIF.

On 5 March 2015, AWC entered into agreements with DIF. The Group recognised unrealised gain amounting to Baht 141.02 million reflecting 28.11% of gain according to the Group's interest in DIF.

True Corporation Public Company Limited
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For the year ended 31 December 2016

20. Investments in subsidiaries, associates and interests in joint ventures, net (Cont'd)

20.2 Investment in associates (Cont'd)

Summarised statement of financial position:

At 31 December	DIF		True GS		Total	
	2016	2015	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million
Current assets						
Cash and cash equivalents	856.89	854.70	67.73	70.37	924.62	925.07
Other current assets	1,468.23	1,294.13	55.31	74.87	1,523.54	1,369.00
Total current assets	2,325.12	2,148.83	123.04	145.24	2,448.16	2,294.07
Non-current assets	95,035.50	84,651.00	89.22	72.26	95,124.72	84,723.26
Total assets	97,360.62	86,799.83	212.26	217.50	97,572.88	87,017.33
Current liabilities						
Other current liabilities	(2,577.85)	(2,285.26)	(218.27)	(217.16)	(2,796.12)	(2,502.42)
Total current liabilities	(2,577.85)	(2,285.26)	(218.27)	(217.16)	(2,796.12)	(2,502.42)
Non-current liabilities						
Financial liabilities	(12,975.20)	(12,935.86)	-	-	(12,975.20)	(12,935.86)
Other liabilities	-	-	(6.94)	(5.97)	(6.94)	(5.97)
Total non-current liabilities	(12,975.20)	(12,935.86)	(6.94)	(5.97)	(12,982.14)	(12,941.83)
Total Liabilities	(15,553.05)	(15,221.12)	(225.21)	(223.13)	(15,778.26)	(15,444.25)
Net assets	81,807.57	71,578.71	(12.95)	(5.63)	81,794.62	71,573.08

Summarised statement of comprehensive income:

For the years ended 31 December	DIF		True GS		Total	
	2016	2015	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million
Revenue	6,380.97	5,900.73	929.24	945.85	7,310.21	6,858.23
Depreciation and amortisation	-	-	(26.47)	(26.67)	(26.47)	(26.67)
Interest income	10.00	10.29	1.00	0.77	11.00	11.06
Profit (loss) from continuing operation	15,766.70	4,857.94	(107.32)	(36.16)	15,659.38	4,825.65
Post-tax profit (loss) from continuing operation	15,766.70	4,857.94	(107.32)	(36.16)	15,659.38	4,825.65
Total comprehensive income	15,766.70	4,857.94	(107.32)	(36.16)	15,659.38	4,825.65
Dividends received from associate	1,556.87	1,516.05	-	-	1,556.87	1,516.05

Reconciliation of the summarised financial statements presented to the carrying amount of its interest in associates

At 31 December	DIF		True GS		Total	
	2016	2015	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million
Opening net assets						
1 January	71,578.71	72,113.24	(5.63)	30.53	71,573.08	72,143.77
Common shares call up	-	-	100.00	-	100.00	-
Profit (loss) for the year	15,766.70	4,857.94	(107.32)	(36.16)	15,659.38	4,821.78
Dividends paid	(5,537.84)	(5,392.47)	-	-	(5,537.84)	(5,392.47)
Closing net assets	81,807.57	71,578.71	(12.95)	(5.63)	81,794.62	71,573.08
Interest in associates	28.11%	28.11%	46.80%	45.00%	-	-
Unrealised gain from assets sold	22,998.37	20,122.77	-	-	22,998.37	20,122.77
	(4,896.89)	(5,175.11)	-	-	(4,896.89)	(5,175.11)
Carrying value	18,101.48	14,947.66	-	-	18,101.48	14,947.66

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20. Investments in subsidiaries, associates and interests in joint ventures, net (Cont'd)

20.3 Interests in joint ventures

Name of joint ventures	% Ownership	Business	Country of Incorporation
Asia Infonet Co., Ltd. *	65.00	Internet services provider	Thailand
BEC-TERO True Visions Co., Ltd. *	50.00	Sport and Entertainment	Thailand
Transformation Films Co., Ltd. *	28.57	Manufacturing and filmmaker	Thailand
True CJ Creations Co., Ltd.*	51.00	Production house	Thailand
True Voice Co., Ltd. *	55.00	Voice recognised service and related software and hardware	Thailand

* indirectly owned through a subsidiary

Movement of interests in joint ventures are as follows:

	Consolidated financial statements Baht Million
For the year ended 31 December 2016	
Opening net book value	46.84
Additions	41.24
Share of result	(13.85)
Impairment	(0.95)
Closing net book value	73.28

Transaction incurred during 2016

On 28 October 2016, two subsidiaries invested in True CJ amounting to Baht 41.24 million represented 51.00% of its equity interest. True CJ is engaged in production of TV programs and game shows.

Transaction incurred during 2015

On 21 January 2015, the Group additionally invested in TTF amounting to Baht 25.00 million to maintain the shareholding proportion in TTF.

The Group has interests in number of individually immaterial joint ventures. The total interests in joint ventures as of 31 December 2016 is Baht 73.28 million which is considered immaterial to the Group's equity.

21. Investment property, net

For the years ended 31 December	Consolidated financial statements	
	2016 Baht Million	(Restated) 2015 Baht Million
Opening net book value	796.25	5.53
Addition	-	823.37
Depreciation	(35.78)	(32.65)
Closing net book value	760.47	796.25

As at 31 December	Consolidated financial statements	
	2016 Baht Million	(Restated) 2015 Baht Million
Cost	838.39	838.39
<u>Less</u> Accumulated depreciation	(68.43)	(32.65)
Allowance for decline in value	(9.49)	(9.49)
Net book value	760.47	796.25

Valuation of fair value of Investment property is determined based on recent market transactions on arm's length terms and the fair value of Investment property is higher than book value.

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22. Property, plant and equipment, net

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	(Restated) 2015 Baht Million	2016 Baht Million	2015 Baht Million
Network equipment				
Opening net book value	93,206.46	70,697.71	1,855.02	2,139.57
Additions	54,734.10	31,990.32	0.28	0.18
Disposals, net	(241.77)	(325.64)	(6.92)	(0.24)
Write-off, net	-	(80.63)	-	-
Reclassifications	37.97	9.73	-	-
Depreciation charge	(9,095.46)	(9,085.03)	(270.76)	(284.49)
Closing net book value	138,641.30	93,206.46	1,577.62	1,855.02
Non-network equipment				
Opening net book value	4,459.75	4,387.24	162.36	169.68
Additions	2,323.53	1,300.91	26.62	54.84
Disposals, net	(60.58)	(47.03)	(1.85)	(2.35)
Reclassifications	(392.04)	(36.50)	-	-
Depreciation charge	(1,283.61)	(1,144.87)	(56.71)	(59.81)
Closing net book value	5,047.05	4,459.75	130.42	162.36
Total	143,688.35	97,666.21	1,708.04	2,017.38

22.1 Network equipment

Leased assets are finance leases of network assets, details are as follows:

	Consolidated financial statements	
	2016 Baht Million	2015 Baht Million
Cost - capitalised finance leases	10,276.13	9,659.74
<u>Less</u> Accumulated depreciation	(3,610.92)	(5,271.26)
Net book value	6,665.21	4,388.48

Additions included Baht 2,872.63 million (2015: Baht 1,960.77 million) of assets leased under finance leases (where the Group is the lessee).

22.2 Non-network equipment

Leased assets are finance leases of computers and equipments, details are as follows:

	Consolidated financial statements	
	2016 Baht Million	2015 Baht Million
Cost - capitalised finance leases	22.56	82.87
<u>Less</u> Accumulated depreciation	(13.63)	(51.17)
Net book value	8.93	31.70

Additions included Baht 6.35 million (2015: Baht 5.80 million) of assets leased under finance leases (where the Group is the lessee).

Consolidated financial statements

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22. **Property, plant and equipment, net (Cont'd)**

	Consolidated financial statements							
	Non - network equipment	Land and land improvement Baht Million	Building and improvement Baht Million	Furniture, fixtures and equipment Baht Million	Power supply and computers Baht Million	Vehicles Baht Million	Work in progress Baht Million	Total Baht Million
At 1 January 2015								
Cost		148.86	1,940.71	3,594.53	5,940.82	47.64	516.90	12,089.46
Less: Accumulated depreciation		-	(1,046.43)	(2,321.91)	(4,221.71)	(24.88)	-	(7,614.93)
Allowance for impairment		-	(7.45)	(78.81)	-	(1.03)	-	(87.29)
Net book value		148.86	786.83	1,193.81	1,719.11	21.73	516.90	4,387.24
Year ended 31 December 2015								
Opening net book value		148.86	786.83	1,193.81	1,719.11	21.73	516.90	4,387.24
Additions		-	25.63	617.50	82.11	6.66	569.01	1,300.91
Disposals, net		-	(37.90)	(8.39)	(0.72)	-	(0.02)	(47.03)
Adjustments/reclassifications		-	233.79	10.16	300.52	-	(580.97)	(36.50)
Depreciation charge		-	(216.69)	(559.08)	(364.79)	(4.31)	-	(1,144.87)
Closing net book value		148.86	791.66	1,254.00	1,736.23	24.08	504.92	4,459.75
At 31 December 2015								
Cost		148.86	2,015.31	4,056.62	5,660.97	51.60	504.92	12,438.28
Less: Accumulated depreciation		-	(1,216.20)	(2,729.21)	(3,924.74)	(26.49)	-	(7,896.64)
Allowance for impairment		-	(7.45)	(73.41)	-	(1.03)	-	(81.89)
Net book value		148.86	791.66	1,254.00	1,736.23	24.08	504.92	4,459.75
Year ended 31 December 2016								
Opening net book value		148.86	791.66	1,254.00	1,736.23	24.08	504.92	4,459.75
Additions		-	30.60	708.35	80.30	-	1,504.28	2,323.53
Disposals, net		-	(46.51)	(13.10)	(0.97)	-	-	(60.58)
Adjustments/reclassifications		-	206.60	28.91	191.61	-	(819.16)	(392.04)
Depreciation charge		-	(243.17)	(661.29)	(374.64)	(4.51)	-	(1,283.61)
Closing net book value		148.86	739.18	1,316.87	1,632.53	19.57	1,190.04	5,047.05
At 31 December 2016								
Cost		148.86	2,161.66	4,398.82	5,800.33	50.46	1,190.04	13,750.17
Less: Accumulated depreciation		-	(1,415.03)	(3,008.56)	(4,167.80)	(29.86)	-	(8,621.25)
Allowance for impairment		-	(7.45)	(73.39)	-	(1.03)	-	(81.87)
Net book value		148.86	739.18	1,316.87	1,632.53	19.57	1,190.04	5,047.05

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22. Property, plant and equipment, net (Cont'd)

	Network equipment	Separate financial statements					
		Building and improvement Baht Million	Telephone network equipment Baht Million	Wireless network equipment Baht Million	Public phones Baht Million	Power supply and computers Baht Million	Work in progress Baht Million
At 1 January 2015							
Cost		49.31	5,492.29	5,115.89	2,109.73	224.59	13,007.35
Less Accumulated depreciation		(26.59)	(3,494.98)	(3,136.94)	(2,062.11)	(151.97)	(8,872.59)
Allowance for impairment		-	-	(1,959.34)	(35.85)	-	(1,985.19)
Net book value		22.72	1,997.31	19.61	11.77	72.62	2,139.57
Year ended 31 December 2015							
Opening net book value		22.72	1,997.31	19.61	11.77	72.62	2,139.57
Additions		-	0.18	-	-	-	0.18
Disposals, net		-	-	-	(0.24)	-	(0.24)
Depreciation charge		(2.67)	(254.97)	(8.58)	(4.57)	(13.70)	(284.49)
Closing net book value		20.05	1,742.52	11.03	6.96	58.92	1,855.02
At 31 December 2015							
Cost		49.31	5,492.47	5,115.89	2,006.64	224.59	12,904.44
Less Accumulated depreciation		(29.26)	(3,749.95)	(3,145.52)	(1,963.83)	(165.67)	(9,054.23)
Allowance for impairment		-	-	(1,959.34)	(35.85)	-	(1,985.19)
Net book value		20.05	1,742.52	11.03	6.96	58.92	1,855.02
Year ended 31 December 2016							
Opening net book value		20.05	1,742.52	11.03	6.96	58.92	1,855.02
Additions		-	0.28	-	-	-	0.28
Disposals, net		-	-	-	(6.91)	-	(6.92)
Adjustments/reclassifications		0.16	-	-	13.45	-	(13.61)
Depreciation charge		(2.70)	(248.60)	(2.25)	(3.66)	(13.55)	(270.76)
Closing net book value		17.51	1,494.20	8.78	9.84	45.37	1,577.62
At 31 December 2016							
Cost		49.47	5,492.65	5,115.89	1,729.43	224.59	12,613.95
Less Accumulated depreciation		(31.96)	(3,998.45)	(3,147.77)	(1,890.35)	(179.22)	(9,047.75)
Allowance for impairment		-	-	(1,959.34)	(29.24)	-	(1,988.58)
Net book value		17.51	1,494.20	8.78	9.84	45.37	1,577.62

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22. Property, plant and equipment, net (Cont'd)

	Non - network equipment	Separate financial statements				
		Leasehold and improvement Baht Million	Furniture, fixtures and equipment Baht Million	Power supply and computers Baht Million	Vehicles Baht Million	Work in progress Baht Million
At 1 January 2015						
Cost		356.59	562.07	1,055.42	3.23	38.72
Less: Accumulated depreciation		(338.51)	(498.76)	(1,006.99)	(2.09)	-
Net book value		18.08	63.31	48.43	1.14	38.72
Year ended 31 December 2015						
Opening net book value		18.08	63.31	48.43	1.14	38.72
Additions		0.25	8.36	10.69	-	35.54
Disposals, net		-	(2.18)	(0.15)	-	(0.02)
Adjustments/ reclassifications		28.10	1.15	-	-	(29.25)
Depreciation charge		(26.41)	(15.38)	(17.72)	(0.30)	-
Closing net book value		20.02	55.26	41.25	0.84	44.99
At 31 December 2015						
Cost		373.63	539.33	1,043.84	3.23	44.99
Less: Accumulated depreciation		(353.61)	(484.07)	(1,002.59)	(2.39)	-
Net book value		20.02	55.26	41.25	0.84	44.99
Year ended 31 December 2016						
Opening net book value		20.02	55.26	41.25	0.84	44.99
Additions		0.11	5.71	3.52	-	17.28
Disposals, net		-	(1.49)	(0.36)	-	-
Adjustments/ reclassifications		32.22	3.03	8.77	-	(44.02)
Depreciation charge		(22.09)	(13.78)	(20.54)	(0.30)	-
Closing net book value		30.26	48.73	32.64	0.54	18.25
At 31 December 2016						
Cost		403.24	528.87	1,031.50	3.23	18.25
Less: Accumulated depreciation		(372.98)	(480.14)	(998.86)	(2.69)	-
Net book value		30.26	48.73	32.64	0.54	18.25

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23. Goodwill, net

There is no movement in goodwill during 2016 and 2015.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. A segment-level summary of the goodwill allocation is presented below.

	Baht Million		
	Consolidated financial statements		
	Online	Pay-TV	Total
Goodwill allocation by segment			
Opening net book value	360.62	11,042.47	11,403.09
Closing net book value	360.62	11,042.47	11,403.09

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are conservatively extrapolated using the zero growth rates and does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

By segment	Online %	Pay-TV %
Gross margin ¹	39.53	39.55
Growth rate ²	0.00	0.00
Discount rate ³	10.30	10.30

¹ Budgeted gross margin.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ Post-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are post-tax and reflect specific risks relating to the relevant segments. Additionally, Management believes that the risks for Online and Pay-TV are approximately the same under the telecommunication industry. Therefore, Management applies the same discount rate for both segments.

24. Intangible assets, net

	Consolidated financial statement		Separate financial statements	
	(Restated)			
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
At 31 December				
Current (included in "Other current assets" (Note 19))	555.70	530.78	-	-
Non-current	139,745.97	70,030.98	1,224.49	2,620.07
Total	140,301.67	70,561.76	1,224.49	2,620.07

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24. Intangible assets, net (Cont'd)

	Consolidated financial statements							
	Trademark, right and licences Baht Million	Computer software Baht Million	Rights to operate Baht Million	Film and Program right Baht Million	Service contract Baht Million	Leased transporter equipment Baht Million	Work in progress Baht Million	Total Baht Million
At 1 January 2015								
Cost	16,644.02	13,704.78	73,577.14	2,296.98	10,755.00	3,493.58	224.11	120,695.61
Less Accumulated amortisation	(1,990.57)	(9,630.57)	(68,495.08)	(1,532.96)	(2,908.84)	(643.43)	-	(85,201.45)
Allowance for impairment	-	(694.15)	-	-	-	-	(40.68)	(734.83)
Net book value	14,653.45	3,380.06	5,082.06	764.02	7,846.16	2,850.15	183.43	34,759.33
Year ended 31 December 2015								
Opening net book value	14,653.45	3,380.06	5,082.06	764.02	7,846.16	2,850.15	183.43	34,759.33
Additions - restated	39,385.95	522.90	-	2,670.24	-	-	323.78	42,902.87
Disposals, net	(0.43)	(31.11)	-	-	-	-	-	(31.54)
Adjustments/reclassifications	1.37	297.68	-	-	-	-	(267.62)	31.43
Amortisation charge	(1,338.41)	(616.72)	(1,515.20)	(2,371.26)	(740.40)	(518.34)	-	(7,100.33)
Closing net book value - restated	52,701.93	3,552.81	3,566.86	1,063.00	7,105.76	2,331.81	239.59	70,561.76
At 31 December 2015								
Cost - restated	56,030.44	14,483.26	73,577.14	3,569.59	10,755.00	3,493.58	280.27	162,189.28
Less Accumulated amortisation	(3,328.51)	(10,236.30)	(70,010.28)	(2,506.59)	(3,649.24)	(1,161.77)	-	(90,892.69)
Allowance for impairment	-	(694.15)	-	-	-	-	(40.68)	(734.83)
Net book value - restated	52,701.93	3,552.81	3,566.86	1,063.00	7,105.76	2,331.81	239.59	70,561.76
Opening net book value	52,701.93	3,552.81	3,566.86	1,063.00	7,105.76	2,331.81	239.59	70,561.76
- restated	-	-	-	-	-	-	-	-
Additions	78,513.52	432.81	-	2,081.74	-	-	288.00	81,316.07
Disposals, net	-	(1.12)	-	(1.73)	-	-	-	(2.85)
Adjustments/reclassifications	9.90	748.12	-	12.85	-	-	(416.81)	354.06
Amortisation charge	(6,049.73)	(712.17)	(1,515.20)	(2,391.54)	(740.39)	(518.34)	-	(11,927.37)
Closing net book value	125,175.62	4,020.45	2,051.66	764.32	6,365.37	1,813.47	110.78	140,301.67
At 31 December 2016								
Cost	134,553.87	15,662.71	73,459.98	2,190.56	10,755.00	3,493.58	151.46	240,267.16
Less Accumulated amortisation	(9,378.25)	(10,948.11)	(71,408.32)	(1,426.24)	(4,389.63)	(1,680.11)	-	(99,230.66)
Allowance for impairment	-	(694.15)	-	-	-	-	(40.68)	(734.83)
Net book value	125,175.62	4,020.45	2,051.66	764.32	6,365.37	1,813.47	110.78	140,301.67

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24. Intangible assets, net (Cont'd)

Trademark, Right and Licence

Consists the following:

1. IMT 2.1GHz bandwidth licence which was awarded by NBTC for a period of 15 years. Net carrying is amount to Baht 9,543.78 million (net of accumulated amortisation of Baht 3,552.62 million).
2. 1800MHz bandwidth licence which was awarded by NBTC for a period of 18 years. Net carrying amount is Baht 36,261.02 million (net of accumulated amortisation of Baht 2,341.34 million). On 25 November 2015, the Group made first installment of 50% of the licence fee amounting to Baht 20,492.72 million including VAT and net of deposit Baht 796.00 million. The unpaid amount of 19,896.00 million will be due at two installments on 4 December 2017 and 2018. The unpaid amount was recognised under "Trade and other payables" (current portion) and "Liabilities under agreements and licences for operations" in the consolidated financial statements.
3. 900MHz bandwidth licence which was awarded by NBTC for a period of 15 years. Net carrying amount is Baht 67,797.41 million (net of accumulated amortisation of Baht 2,356.39 million). On 11 March 2016, the Group made first installment amounting to Baht 7,958.80 million including VAT and net of deposit Baht 644.00 million. As at 31 December 2016, the unpaid balance of Baht 63,357.86 million (present value) is present under "Liabilities under agreements and licences for operations" in the consolidated financial statements.
4. Licence for the spectrum of television broadcasting service using digital system awarded by NBTC for a period of 15 years. Net carrying amount is Baht 2,804.16 million (net of accumulated amortisation of Baht 607.97 million). The unpaid amount of Baht 1,878.60 million will be due in four installments during 2017 to 2019. The unpaid amount was recognised under "Trade and other payables" (current portion) and "Liabilities under agreements and licences for operations" in the consolidated financial statements.

Right to operate

Consists the following:

1. The right to operate NON-POTS services represents the fair value of TOT's interest in the nationwide NON-POTS agreement for which TM issued 18.50 million ordinary shares in exchange for the agreement.
2. The right to hang dropwire represents the fair value of TOT's interest in the multimedia network which TM issued 40.00 million ordinary shares in exchange for this privilege.
3. The rights to operate represent the discounted cash flow of minimum fees payable to MCOT as described in Note 30 and Note 38.2.
4. Right to operate included cost of assets transferred to TOT under "Joint Operation and Joint Investment for Expansion of Telephone Services Agreement". The net book value is Baht 1,154.91 million (net of accumulated amortisation Baht 70,176.45 million) (2015: Baht 68,790.07 million).

Service contract

Service contract represents the fair value of identifiable intangible asset derived from a business acquisition.

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24. Intangible assets, net (Cont'd)

Movement of the Company's intangible assets are as follows:

	Separate financial statements		
	Computer software Baht Million	Rights to operate Baht Million	Total Baht Million
At 1 January 2015			
Cost	2,347.45	71,331.36	73,678.81
<u>Less</u> Accumulated amortisation	(2,235.14)	(67,403.67)	(69,638.81)
Net book value	112.31	3,927.69	4,040.00
Year ended 31 December 2015			
Opening net book value	112.31	3,927.69	4,040.00
Additions	1.91	-	1.91
Amortisation charge	(35.45)	(1,386.39)	(1,421.84)
Closing net book value	78.77	2,541.30	2,620.07
At 31 December 2015			
Cost	2,349.36	71,331.36	73,680.72
<u>Less</u> Accumulated amortisation	(2,270.59)	(68,790.06)	(71,060.65)
Net book value	78.77	2,541.30	2,620.07
Year ended 31 December 2016			
Opening net book value	78.77	2,541.30	2,620.07
Additions	16.52	-	16.52
Amortisation charge	(25.71)	(1,386.39)	(1,412.10)
Closing net book value	69.58	1,154.91	1,224.49
At 31 December 2016			
Cost	2,365.88	71,331.36	73,697.24
<u>Less</u> Accumulated amortisation	(2,296.30)	(70,176.45)	(72,472.75)
Net book value	69.58	1,154.91	1,224.49

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25. Deferred income taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and applying a principal tax rate of 20%. The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Group are summarised below:

As at 31 December	Consolidated financial statements			2016 Baht Million
	2015 Baht Million	(Credited) charged to profit or loss Baht Million	Charged to equity Baht Million	
Deferred income tax assets				
Depreciation and amortisation	1,728.18	(593.62)	-	1,134.56
Allowances	2,453.53	140.47	-	2,594.00
Borrowings	57.21	20.44	-	77.65
Unearned income	195.59	(2.39)	-	193.20
Accrued expenses	34.58	(1.46)	-	33.12
Tax loss carried forward	4,537.20	995.77	-	5,532.97
Film and program right	22.87	(2.12)	-	20.75
Employee benefits obligations	55.88	11.19	22.19	89.26
Provisions	694.52	(237.34)	-	457.18
Derivative payables	1.99	2.32	-	4.31
	<u>9,781.55</u>	<u>333.26</u>	<u>22.19</u>	<u>10,137.00</u>
Deferred income tax liabilities				
Accounts receivable				
- billed customers	(280.57)	10.11	-	(270.46)
Debt issuance cost	(45.97)	(8.59)	-	(54.56)
Leased assets	(54.34)	(37.30)	-	(91.64)
Depreciation and amortisation	(2,001.85)	(175.62)	-	(2,177.47)
Borrowings	(2,521.78)	213.45	-	(2,308.33)
Other current assets	(1,049.11)	(702.17)	-	(1,751.28)
Derivative receivables	(239.29)	136.80	-	(102.49)
	<u>(6,192.91)</u>	<u>(563.32)</u>	<u>-</u>	<u>(6,756.23)</u>
Deferred income tax assets, net	<u>3,588.64</u>	<u>(230.06)</u>	<u>22.19</u>	<u>3,380.77</u>

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25. Deferred income taxes (Cont'd)

As at 31 December	Separate financial statements		
	2015 Baht Million	(Credited) charged to profit or loss Baht Million	2016 Baht Million
Deferred income tax assets			
Depreciation	736.82	(414.96)	321.86
Allowances	27.50	0.18	27.68
Borrowings	57.21	0.16	57.37
Derivative payables	-	4.31	4.31
	<u>821.53</u>	<u>(410.31)</u>	<u>411.22</u>
Deferred income tax liabilities			
Accounts receivable - billed customers	(280.56)	10.11	(270.45)
Depreciation	(3.12)	(0.69)	(3.81)
Debt issuance cost	(35.85)	(1.98)	(37.83)
Leased assets	(1.72)	1.72	-
Derivative receivables	(2.42)	2.42	-
	<u>(323.67)</u>	<u>11.58</u>	<u>(312.09)</u>
Deferred income tax assets, net	<u>497.86</u>	<u>(398.73)</u>	<u>99.13</u>

The analysis of deferred tax assets and deferred tax liabilities are as follows:

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	848.53	1,973.32	320.35	430.12
Deferred tax assets to be recovered after 12 months	<u>9,288.47</u>	<u>7,808.23</u>	<u>90.88</u>	<u>391.41</u>
	<u>10,137.00</u>	<u>9,781.55</u>	<u>411.23</u>	<u>821.53</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(1,714.44)	(858.29)	(197.64)	(214.62)
Deferred tax liabilities to be settled after 12 months	<u>(5,041.79)</u>	<u>(5,334.62)</u>	<u>(114.46)</u>	<u>(109.05)</u>
	<u>(6,756.23)</u>	<u>(6,192.91)</u>	<u>(312.10)</u>	<u>(323.67)</u>
Deferred income tax, net	<u>3,380.77</u>	<u>3,588.64</u>	<u>99.13</u>	<u>497.86</u>

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25. Deferred income taxes (Cont'd)

Presentation in the statements of financial position are as follows:

At 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Deferred income tax assets	5,375.82	5,663.35	99.13	497.86
Deferred income tax liabilities	(1,995.05)	(2,074.71)	-	-
Deferred income tax, net	3,380.77	3,588.64	99.13	497.86

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

The movement on deferred income taxes are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Opening net book amount	3,588.64	3,366.48	497.86	910.97
Charge to profit or loss (Note 12)	(230.06)	222.16	(398.73)	(413.11)
Other comprehensive income	22.19	-	-	-
Closing net book value	3,380.77	3,588.64	99.13	497.86

Deferred income tax assets are recognised for tax loss carried forward only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

The Group did not recognise deferred income tax assets of Baht 8,776.01 million in respect of tax loss carried forward approximately Baht 43,880.04 million. A summary of the tax loss carried forward and the expiry dates are set out below:

Expiry year	Consolidated financial statements Baht Million	Separate financial statements Baht Million
2017	883.81	452.72
2018	15,751.14	1,705.50
2019	2,039.51	-
2020	4,925.59	-
2021	20,279.99	3,199.07
	43,880.04	5,357.29

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26. Other non-current assets

At 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Value added tax pending receipt of tax invoices related to debt restructuring	-	16.88	-	16.88
Deposits	1,184.95	998.33	98.50	111.36
Subscriber acquisition cost, net	4,644.01	2,975.13	-	-
Prepaid rental	694.43	705.00	-	-
Forward contract receivable	118.30	-	-	-
Others	139.08	94.16	51.36	52.44
Total	6,780.77	4,789.50	149.86	180.68

27. Borrowings

Short-term borrowings

At 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Loans from banks	16,578.39	12,936.32	6,984.64	7,982.72
Debentures	20,993.29	16,990.89	9,995.75	7,999.56
Total	37,571.68	29,927.21	16,980.39	15,982.28

The loans from banks are unsecured and bearing interest rate at MLR and will be due during the next six months.

Long-term borrowings

Borrowings are denominated in Thai Baht, United States Dollars and Japanese Yen.

At 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Current				
- Finance leases	1,488.10	1,437.25	-	6.24
- Debentures	18,899.57	10,906.22	18,899.57	5,915.40
- Suppliers credit	266.29	259.11	266.29	259.11
Total Current	20,653.96	12,602.58	19,165.86	6,180.75
Non-current				
- Finance leases	5,451.99	4,284.39	-	-
- Debentures	55,038.06	50,979.65	12,119.20	31,032.06
- Suppliers credit	-	258.27	-	258.27
Total Non-current	60,490.05	55,522.31	12,119.20	31,290.33
Total	81,144.01	68,124.89	31,285.06	37,471.08

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27. Borrowings (Cont'd)

Movement of borrowings can be analysed as follows:

	Consolidated financial statements Baht Million	Company financial statements Baht Million
For the year ended 31 December 2016		
Opening net book value	68,124.89	37,471.08
Additional borrowings:		
- principal (net of debt issuance cost)	22,950.22	-
- non-cash finance leases	2,878.97	-
- interest	328.73	0.74
Repayment of borrowings		
- cash item	(13,177.49)	(6,205.83)
- realised gain on foreign exchange	17.85	17.85
Adjustment /reclassifications	(57.26)	(74.97)
Amortisation of debt issuance costs	99.10	68.88
Currencies translations	(21.00)	7.31
Closing net book value	81,144.01	31,285.06

Borrowings are presented netting-off unamortised debt issuance costs of Baht 266.07 million and Baht 184.92 million for the consolidated and the separate financial statements, respectively (2015: Baht 240.41 million for the consolidated and Baht 179.27 million for the separate financial statements, respectively).

Maturity of non-current borrowings (excluding finance lease liabilities and unamortised debt issuance cost):

	Consolidated financial statements		Separate financial statements	
At 31 December	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Between 1 and 2 years	23,962.70	19,169.26	3,962.70	19,169.26
Between 2 and 5 years	10,974.70	23,962.70	-	3,962.70
Over 5 years	20,355.30	8,330.00	8,330.00	8,330.00
	55,292.70	51,461.96	12,292.70	31,461.96

The carrying amounts and fair values of certain non-current borrowings (excluding finance lease liabilities) are as follows:

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Debentures	55,038.06	50,979.65	53,427.55	51,184.11
Suppliers credit	-	258.27	-	384.26
	Separate financial statements			
	Carrying amounts		Fair values	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Debentures	12,119.20	31,032.06	11,783.28	31,445.13
Suppliers credit	-	258.27	-	384.26

The fair value of current borrowings and lease obligation approximate to their carrying amount, as the impact of discounting is not significant. The fair values for non-current borrowings are based on discounted cash flows using a discount rate of the Group's and the Company's borrowing interest rates which are 4.92% and 4.92%, respectively (2015: 4.11% and 4.11% for the Group's and the Company's, respectively) which is within level 2 of the fair value hierarchy.

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27. Borrowings (Cont'd)

The carrying amounts and fair values of non-current borrowings (excluding finance lease liabilities) are denominated in the following currencies:

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2016	2015	2016	2015
	Equivalent to Baht Million	Equivalent to Baht Million	Equivalent to Baht Million	Equivalent to Baht Million
Thai Baht	55,038.06	50,979.65	53,427.55	51,184.11
Japanese Yen	-	853.07	-	1,269.21
	Separate financial statements			
	Carrying amounts		Fair values	
	2016	2015	2016	2015
	Equivalent to Baht Million	Equivalent to Baht Million	Equivalent to Baht Million	Equivalent to Baht Million
Thai Baht	12,119.20	31,032.06	11,783.28	31,445.13
Japanese Yen	-	853.07	-	1,269.21

Interest rate

The interest rate exposure of the borrowings are as follows:

At 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Total borrowings (excluding the unamortised debt issuance cost)				
- at fixed rates	81,410.08	68,365.30	31,469.98	37,649.91
	81,410.08	68,365.30	31,469.98	37,649.91

The weighted average effective interest rates are as follows:

At 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	%	%	%	%
Weighted average effective interest rates				
- finance lease	4.31	5.04	-	0.91
- debentures	4.92	4.11	4.92	4.11

The Group has the following undrawn borrowing facilities:

	Consolidated financial statements	
	2016	2015
	Baht Million	Baht Million
Floating rate		
- expiring within one year	13,428.14	12,205.15

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27. Borrowings (Cont'd)

Finance lease liabilities

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Gross finance lease liabilities - minimum lease payment:

At 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Not later than 1 year	1,799.35	1,731.18	-	6.25
Later than 1 year and not later than 5 years	5,876.10	4,713.11	-	-
Later than 5 years	-	-	-	-
	7,675.45	6,444.29	-	6.25
Future finance charges on finance leases	(735.36)	(722.65)	-	(0.01)
Present value of finance lease liabilities	6,940.09	5,721.64	-	6.24

The present value of finance lease liabilities is due as follows:

At 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Not later than 1 year	1,488.10	1,437.25	-	6.24
Later than 1 year and not later than 5 years	5,451.99	4,284.39	-	-
Later than 5 years	-	-	-	-
	6,940.09	5,721.64	-	6.24

Debentures

Debentures are unsecured and will be mature between 2017 and 2026. Debentures are denominated in Thai Baht and carry average interest of 4.92% per annum.

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27. Borrowings (Cont'd)

Debentures (Cont'd)

Transactions in 2016

The Company redeemed Baht 5.92 billion of unsecured debenture on the maturity date.

TUC, a subsidiary, issued the following debentures for its ongoing operations:

- Issuing 10.97 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 10.95 billion. The debentures carry interest at the rate of 4.50% per annum payable on quarterly basis starting from 2 March 2017. The maturity date will be on 2 December 2021.
- Issuing 4.55 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 4.54 billion. The debentures carry interest at the rate of 5.00% per annum payable on quarterly basis starting from 2 March 2017. The maturity date will be on 2 December 2023.
- Issuing 7.48 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 7.46 billion. The debentures carry interest at the rate of 5.50% per annum payable on quarterly basis starting from 2 March 2017. The maturity date will be on 2 December 2026.

TUC redeemed Baht 5.00 billion of unsecured debenture on the maturity date.

Transactions in 2015

The Company issued 8.33 million units of partial secured debentures at par value of Baht 1,000 per unit. The debentures carry interest at the rate of 4.11% per annum payable twice a year starting from 10 May 2016. The maturity date will be on 10 November 2022. The Company used Baht 8.20 billion net proceed of issuance cost and related expenses for its ongoing operations.

The Company redeemed Baht 7.72 billion of unsecured debenture on the maturity date.

TUC, a subsidiary, issued the following debentures for its ongoing operations:

- Issuing 10.00 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 9.96 billion, the debentures carry interest at the rate of 4.20% per annum payable on the quarterly basis starting from 29 October 2015. The maturity date will be on 29 July 2018.
- Issuing 10.00 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 9.98 billion, the debentures carry interest at the rate of 4.20% per annum payable on the quarterly basis starting from 29 October 2015. The maturity date will be on 29 July 2018.
- Issuing 5.00 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 4.98 billion, the debentures carry interest at the rate of 2.60% per annum payable the entire amount on 21 November 2016.

Suppliers credit

Suppliers credit are the Company's Deferred Payment Note ("DPN") issued to certain unsecured creditors since 2002. The DPN are denominated in Japanese Yen, mature in 2017 and bear interest of 2.00% per annum.

The Company and certain unsecured creditors agreed to settle obligation under the Deferred Payment Notes Agreement and the Unsecured Creditors Restructuring Agreement dated 22 December 1999 ("DPN Agreement").

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28. Trade and other payables

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	(Restated) 2015 Baht Million	2016 Baht Million	2015 Baht Million
Trade accounts payable	64,421.77	40,619.90	988.32	1,030.59
Other payables	165.42	784.33	103.13	646.69
Unearned income	2,800.50	3,127.85	184.64	140.53
Accrued expenses	31,126.71	21,759.59	1,537.94	1,378.20
Trade and other payables	98,514.40	66,291.67	2,814.03	3,196.01

Accrued expenses can be analysed as follows:

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	(Restated) 2015 Baht Million	2016 Baht Million	2015 Baht Million
Regulatory cost	7,379.07	9,735.64	296.36	317.00
Current portion of liabilities under agreements and licences for operation (Note 30)	11,795.29	1,060.22	-	-
Network facility expenses	1,067.07	1,655.86	134.36	127.23
Performance pay	1,183.89	1,231.84	243.43	260.22
Interest expenses	707.62	608.79	380.93	419.26
Others	8,993.77	7,467.24	482.86	254.49
Total accrued expenses	31,126.71	21,759.59	1,537.94	1,378.20

29. Other current liabilities

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Output VAT pending tax invoice	3,113.03	2,651.68	429.91	96.23
Others	985.12	724.14	79.41	58.38
Total	4,098.15	3,375.82	509.32	154.61

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30. Liabilities under agreements and licences for operation

Detail of liabilities under agreements and licences for operation can be summarised as follows:

At 31 December	Consolidated financial statements	
	2016 Baht Million	(Restated) 2015 Baht Million
Current (included in "Accrued expenses") (Note 28)	11,795.29	1,060.22
Non-current	77,652.49	20,902.26
	<u>89,447.78</u>	<u>21,962.48</u>

Movement of liabilities under agreements for operation can be analysed as follow:

	Consolidated financial statements Baht Million
For the year ended 31 December 2016	
Opening net book value - restated	21,962.48
Additions	78,432.56
Repayments	(12,855.60)
Interest expense charge	1,908.34
Closing net book value	<u>89,447.78</u>

31. Employee benefits obligations

Retirement benefit obligations

The Group operates an unfunded defined benefit plan for eligible employees in Thailand. Under the Plan, the employees are entitled to Legal Severance Payment benefits ranging from 30 days to 300 days of final salary upon retirement. The present value of defined benefits obligations are as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2016 Baht Million	31 December 2015 Baht Million	31 December 2016 Baht Million	31 December 2015 Baht Million
Liabilities in the statement of financial position				
Retirement benefit obligations	<u>1,982.12</u>	<u>1,368.62</u>	<u>555.04</u>	<u>370.86</u>
Expense in the statements of comprehensive income				
Retirement benefits	196.05	164.99	41.30	40.61
Remeasurement loss recognised in other comprehensive income	<u>485.52</u>	<u>-</u>	<u>173.99</u>	<u>-</u>
	<u>681.57</u>	<u>164.99</u>	<u>215.29</u>	<u>40.61</u>

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31. Employee benefits obligations (Cont'd)

Retirement benefit obligations (Cont'd)

The movement in the defined benefit obligations over the year is as follows:

	Consolidated financial statements	Separate financial statements
	Baht Million	Baht Million
For the year ended 31 December 2016		
Opening net book value	1,368.62	370.86
Current service cost	136.59	27.09
Interest cost	59.46	16.16
Remeasurement loss recognised in other comprehensive income	485.52	173.99
Transfer out	-	(1.95)
Benefit paid	(68.07)	(31.11)
Closing net book value	<u>1,982.12</u>	<u>555.04</u>

The amounts recognised in the profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
For the years ended 31 December	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Current service cost	136.59	111.43	27.09	25.89
Interest cost	59.46	53.56	16.16	14.72
Transfer out	-	-	(1.95)	-
Total (included in staff costs)	<u>196.05</u>	<u>164.99</u>	<u>41.30</u>	<u>40.61</u>
Classified as:				
Cost of providing services	90.97	60.47	3.61	13.45
Selling expenses	26.79	36.69	2.47	8.09
Administrative expenses	78.29	67.83	35.22	19.07
	<u>196.05</u>	<u>164.99</u>	<u>41.30</u>	<u>40.61</u>

The principal actuarial assumptions used were as follows:

	Consolidated and separate financial statement	
	2016	2015
	%	%
Discount rate	3.30	4.40
Future salary increases	6.00	6.00

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics in Thailand. The Thailand TMO08 tables contain the results of the most recent mortality investigation on policy holders of life insurance companies in Thailand. It is reasonable to assume that these rates are reflective of the mortality experience of the working population in Thailand.

Sensitivity of key assumptions:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	%	%	%
Discount rate	1.00	Decrease by 10.35	Increase by 12.25
Future salary increases	1.00	Increase by 11.98	Decrease by 10.34

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31. Employee benefits obligations (Cont'd)

Retirement benefit obligations (Cont'd)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its retirement benefits obligations, the Group is exposed to a risk, the most significant of which is:

Changes in bond yields A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 19 years.

Expected maturity analysis of undiscounted retirement during the year 2017 - 2026 as follow:

	Consolidated financial statements			
	Less than a year	Between 1 - 2 years	Over 3 years	Total
	Baht Million	Baht Million	Baht Million	Baht Million
At 31 December 2016				
Retirement benefits obligations	111.83	141.14	1,021.73	1,274.70
Total	111.83	141.14	1,021.73	1,274.70
	Separate financial statements			
	Less than a year	Between 1 - 2 years	Over 3 years	Total
	Baht Million	Baht Million	Baht Million	Baht Million
At 31 December 2016				
Retirement benefits obligations	61.38	60.37	300.48	422.23
Total	61.38	60.37	300.48	422.23

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32. Other non-current liabilities

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	(Restated) 2015 Baht Million	2016 Baht Million	2015 Baht Million
Advance received for long-term				
Operating lease	10,551.58	11,166.23	-	-
Deposit received from customers	1,360.05	1,498.44	-	-
Valued added tax pending receipt of tax invoice related to debt restructuring	-	16.89	-	16.89
Withholding tax related to debt restructuring	-	6.58	-	6.58
Provision	2,285.89	3,472.60	-	-
Others	71.49	62.98	-	-
Total	14,269.01	16,223.72	-	23.47

During 2016, CAT's call option provision of Baht 1,186.71 million (2015: Baht 1,176.19 million) was reversed and recognised as other income in consolidated financial statements.

Refer to Long-Term lease Agreement with call option between AWC, a wholly owned subsidiary, and DIF dated on 5 March 2015, DIF made a prepayment amounting to Baht 12,293.12 million (VAT excluded) for rental of fiber optic cable with lease term of 20 years to AWC. As at 31 December, 2016, balances of current and non-current unearned income amounting to Baht 614.66 million and Baht 10,551.58 million were presented under "Trade and other payable" and "Other non-current liabilities", respectively. The Group recognised Baht 441.86 million of rental revenue for the year ended 31 December 2016.

33. Share capital, premium and discount on share capital

The total authorised number of shares is 33,368.66 million shares (2015: 24,607.93 million shares) with a par value of Baht 4 per share (2015: Baht 4 per share).

Details of issued and fully paid share capital are as follows:

	Number of shares Million	Common shares Baht Million	Share premium (discount) Baht Million	Total Baht Million
At 1 January 2015	24,607.93	246,079.28	(110,563.60)	135,515.68
- Par value reduction	-	(147,647.57)	110,563.60	(37,083.97)
At 31 December 2015	24,607.93	98,431.71	-	98,431.71
- Issue of common shares	8,760.73	35,041.07	26,384.07	61,425.14
At 31 December 2016	33,368.66	133,472.78	26,384.07	159,856.85

In May and June 2016, the Company received Baht 59,948.80 million (net of issuance costs) from an issuance of new 8,391.18 million shares by right offering at the exercise price of Baht 7.15 per share. In addition, there was an issuance of new 369.09 million shares as share dividends. The Company completed the process of issuance of new shares and registered the issued and paid-up capital with the Ministry of Commerce on 29 June 2016. All issued shares are fully paid.

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33. Share capital, premium and discount on share capital (Cont'd)

On 24 April 2015, the Annual General Meeting of the Shareholders has approved to reduce the par value of the Company's common share from Baht 10.00 per share to Baht 4.00 per share. The reduction amount will be compensated with legal reserve, net amount of the share premium and discount and the deficits. The Company completed the par value reduction process and registered with the Ministry of Commerce on 25 September 2015.

34. Legal reserve

The legal reserve of the Company was established in accordance with the provisions of the Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net profit for the year after deduction of accumulated deficit brought forward (if any) until the reserve is not less than 10% of the authorised share capital. This reserve is not available for dividend distribution. During 2016, the company set aside legal reserve amounting to Baht 6.58 million (2015: Baht 275.91 million).

35. Non-controlling interests

At 31 December	Consolidated financial statements	
	2016 Baht Million	2015 Baht Million
Opening net book value	659.08	591.08
Addition investment in subsidiary by non-controlling interests	14.15	90.00
Purchasing shares from non-controlling interests	(7.67)	(0.01)
Reclassification of investment	-	(10.65)
Increase in non-controlling interests	2.95	0.01
Remeasurement loss	(0.10)	-
Share of results of subsidiaries	7.32	(11.35)
Closing net book value	675.73	659.08

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36. Cash flows from operating activities

Reconciliation of profit (loss) to cash flows from operating activities:

For the years ended 31 December	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
(Loss) profit before income tax		(2,317.39)	4,651.52	530.40	5,931.39
Adjustments for:					
Depreciation and amortisation		28,079.76	19,944.99	1,811.72	1,827.27
Interest income		(442.21)	(142.44)	(498.10)	(620.23)
Interest expense	11	4,671.53	2,897.21	2,331.64	2,279.55
Finance costs related to licences	11	1,422.35	194.12	-	-
Dividends received	41	-	(40.81)	(1,957.50)	(1,516.05)
Gain (loss) on disposals of property, plant and equipment		233.66	81.82	(3.20)	0.06
Gain from disposal of infrastructure assets		-	(360.60)	-	-
Doubtful accounts	10	1,795.45	1,523.41	222.03	217.74
Write off network equipment		-	80.63	-	-
Impairment charge of investment in subsidiaries	20	-	-	57.63	-
Impairment charge of investment in joint venture	20	0.95	-	-	-
Reversal of provision for CAT's call option	32	(1,186.71)	(1,176.19)	-	-
Increase in retirement benefits obligations		198.19	144.71	41.31	33.79
Unrealised (gain) loss on foreign exchange		388.81	(189.88)	40.95	32.73
Loss from liquidation of subsidiaries	20	24.88	-	-	-
Realised loss on foreign exchange related to repayment of borrowings	27	17.85	3.82	17.85	3.82
Share of results	20	(4,645.73)	(1,443.44)	-	-
Changes in operating assets and liabilities					
- Trade and other receivables		36.16	21,920.56	(3,744.27)	(1,177.79)
- Short-term investments		(0.02)	(1.78)	-	-
- Inventories		(2,957.40)	(4,004.04)	7.75	71.35
- Other current assets		(10,994.89)	(7,566.22)	(13.99)	28.00
- Film and program rights		(2,081.75)	(2,670.24)	-	-
- Other non-current assets		(256.48)	(205.09)	30.82	5.05
- Trade and other payables		642.04	(36,216.03)	(342.42)	(9,441.04)
- Other current liabilities		726.55	(784.31)	382.73	(78.88)
- Other non-current liabilities		(232.26)	10,726.06	(54.60)	(22.51)
Cash generated from (used in) operations		13,123.34	7,367.78	(1,139.25)	(2,425.75)
Add Interest received		406.12	143.67	493.40	641.59
Income tax received		1,750.80	712.33	921.92	263.14
Less Interest paid		(4,026.29)	(1,947.51)	(2,153.71)	(1,844.90)
Income tax paid		(3,157.84)	(2,943.22)	(169.23)	(252.21)
Net cash received from (used in) operating activities		8,096.13	3,333.05	(2,046.87)	(3,618.13)

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37. Financial instruments

Objective and significant terms and conditions

In order to manage the risks arising from fluctuations in currency exchange rates, the Group adopts the following foreign currency risk management practices:

- entering into forward foreign exchange contracts;
- negotiating payment terms for foreign currency settlements on an individual transaction basis; and
- negotiating with foreign suppliers to share foreign exchange exposure.

Transaction risk is calculated in each foreign currency transaction and is projected six months forward. Exchange rates are monitored and forecasted information supplied by recognised research and financial analysis is used to estimate future exchange rates. These are compared against premiums on forward exchange contracts, and after making adjustments for the related risk, a decision is taken on whether to cover foreign currency transactions.

Transactions, if hedged with forward exchange contracts, are not hedged on a net basis, but rather on a transaction by transaction basis.

As at 31 December 2016 and 2015, the outstanding foreign currency assets and liabilities as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Currency Million	2015 Currency Million	2016 Currency Million	2015 Currency Million
Assets				
US Dollar	22.86	26.87	-	-
Euro	12.37	10.60	-	-
Japanese Yen	0.10	0.10	-	-
Liabilities				
US Dollar	1,460.59	774.77	0.04	0.10
Japanese Yen	855.35	1,709.33	855.32	1,708.89
Great British Pound Sterling	0.03	0.03	-	-
Euro	0.94	1.67	-	0.01
SGD	-	0.02	-	-

Foreign currency assets represent cash and accounts receivable whilst the above foreign currency liabilities represent trade accounts payable, borrowings and other payables.

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38. Contracts and commitments

38.1 The Company entered into the agreement for Joint-Operation and Investments for Expansion of 2.6 million lines Telephone Services with TOT and other supplements to the Agreement for the following services:

- Wireline Services
- Value Added Services
- Personal Communication Telephone Services
- Public Telephone Services
- Receiving telephone service orders, and receiving payment for installation charges, deposits and monthly usage for TOT
- Fault notification and dropwire maintenance
- Personal Communication Telephone Service for TOT subscribers

Under the provisions of the "Agreement", the "Amendment" and the Supplementary Agreements, TOT and the Company will share the gross revenues collected from operating the telephone network in accordance with the percentages as stipulated in the agreements. Among the Company's responsibilities are the acquisition, installation, project management, operation and maintenance of the system as set out in the agreements. In addition, the Company is required to transfer to TOT certain equipment pertaining to such system together with the land and buildings acquired by the Company related to the project.

38.2 A subsidiary has agreement with state enterprises, MCOT to provide Pay TV service.

Under the terms of the agreement, the subsidiary has certain commitments to acquire, install, manage and maintain all equipment. The subsidiary is also committed to transfer to MCOT all equipment pertaining to such systems as the installations are completed. During the term of the agreement, the subsidiary is entitled to collect deposits, membership fees and other service fees from customers as stipulated in the agreement.

In addition, the subsidiary is contingently liable to certain local banks for letters of guarantee Baht 31.20 million issued by the said banks in favour of MCOT. The letters of guarantee cover the guarantee for the subsidiary in compliance with the provisions of the agreement referred to above.

Under the term of the agreement, the subsidiary is obliged to pay minimum fee as follows:

<u>Period due</u>	<u>Minimum fee Baht Million</u>
Within 1 year	35.00
Between 1 - 2 years	35.00
Between 2 - 5 years	35.00

38.3 On 27 January 2011, a subsidiary, BFKT entered into an agreement with CAT to lease telecommunication equipment under HSPA technologies for the periods of 14.5 years. Under the terms and conditions of HSPA agreement, BFKT has certain commitments including acquiring, installing, managing, and maintaining all equipment necessary to provide mobile phone service using HSPA technology according to the capacity stipulated in the agreement and amended agreement executed on 3 December 2013 for the period of 14.5 years. As consideration of providing such services, BFKT entitles to receive revenue as stipulated in the agreement.

On 27 January 2011, a subsidiary, RMV entered into a re-sales and wholesales agreement with CAT ("the Agreement"). Under the terms and conditions of the Agreement, RMV provides mobile phone services using HSPA technology wholesale from CAT for the period of 14.5 years. On 16 December 2015, RMV was granted renewal Type I licences by NBTC for resale mobile services and internet services. RMV is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licences. The licences will expire on 15 December 2020.

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38. Contracts and commitments (Cont'd)

During 2015 and 2016, the Group and CAT reached the solution to settle certain portion of rental and services revenue in BFKT and accrued operating cost in RMV.

On 23 January 2017, the aforesaid subsidiaries and CAT has agreed in several matters with an objective to extinguish the outstanding disputes between the two parties, including the unsettled balances. The Group has assessed the overall impact of the agreements reached and recognised an additional expense of Baht 305.67 million in the consolidated statement of comprehensive income of 2016.

There are still pending issues and outstanding balances required further discussion. The management believes that there will be no significant impact to the Group as a result of the finalisation.

To comply with the abovementioned agreements, the Group has provided letters of guarantee issued by certain local banks in favour of CAT totaling Baht 200.00 million.

- 38.4 On 7 December 2012, a subsidiary, TUC was granted with the 2.1 IMT GHz Bandwidth licence by NBTC. The licence awarded covers three spectrum bandwidth and authorises TUC to provide mobile service under those spectrum bandwidth for the period of 15 years. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.
- 38.5 On 4 December 2015, a subsidiary, TUC was granted with the 1800MHz Bandwidth licence issued by NBTC. The licence covers two spectrum bandwidth and authorises TUC to provide mobile service under those spectrum bandwidth for the period of 18 years. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.
- 38.6 On 14 March 2016, a subsidiary, TUC was granted with the 900MHz Bandwidth licence issued by NBTC. The licence authorized TUC to provide mobile service for 15 year. The maturity will be on 30 June 2031. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.
- 38.7 The Company and subsidiaries are contingently liable to certain local banks for letters of guarantee provided in favour of certain government agencies, certain state enterprises and other companies amounting to Baht 3,798.07 million and Baht 401.21 million, respectively.
- 38.8 Under the terms of various agreements, the Company's and certain subsidiaries' assets have been pledged and/or mortgaged as collateral with the contracted parties, details of which are as follows:

	Carrying Value at 31 December			
	Consolidated		Company	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Fixed and saving deposits	70.06	606.94	42.36	558.97
Investments in shares of associate	770.00	635.84	694.55	694.55

- 38.9 The Company and subsidiaries have entered into contracts with various contractors to supply and install additional network and expansion of network equipment capability and various agreements related to capital expenditure. The Group's and the Company's commitments as at 31 December 2016 were Baht 30,191.98 million and Baht 5.40 million, respectively (2015: Baht 17,839.39 million and Baht 4.58 million, respectively).

- 38.10 The Group leases various telecommunication infrastructures under non-cancellable operating lease agreements and the lease term is ranged between 5 years and 15 years.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated financial statements	
	2016 Baht Million	2015 Baht Million
Not later than 1 year	3,313.62	3,263.24
Later than 1 year but not later than 5 years	12,646.89	12,814.76
Later than 5 years	15,594.68	18,740.42
	<u>31,555.19</u>	<u>34,818.42</u>

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39. Litigations and Arbitration disputes and contingent liabilities

39.1 Litigations outstanding at the Administrative Court

39.1.1 Dispute in relation to the use of True's logo on public payphone booths

On 23 July 2004, TOT filed an arbitration claim against the Company alleging that the Company failed to comply with joint agreement between the Company and TOT for the public payphone booths. TOT claimed damages for the use of the Company's logo on the public payphone booths amount of Baht 433.85 million. On 12 July 2006, the Arbitral Tribunal rendered the award in favour of TOT. The Company filed a lawsuit in order to withdraw the arbitral award to the Central Administrative Court and TOT filed a motion to the Central Administrative Court to enforce the award with a claim for payment of Baht 150.00 million and damages of Baht 90.00 in monthly basis per payphone booth from the filing date until the Company stop using a logo on TOT's public phone booths. The Central Administrative court ordered to combine the case which the Company requested to repeal the execution of Arbitration's ruling. On 24 February 2009, the Court ruled in favour of TOT and enforced the arbitral award by ordering the Company to pay Baht 150.00 million within 60 days from the final date of the case and court fees in the amount of Baht 80,000 to TOT. The Company filed an appeal with the Supreme Administrative Court on 25 March 2009. The lawsuit is currently in the judicial process of the Supreme Administrative Court.

39.1.2 Dispute in relation to interconnection charges

On 4 February 2011, Total Access Communication Public Company Limited filed with the Central Administrative Court against the Company and TOT to jointly pay for interconnection charges (IC) amount of Baht 3.94 billion. Currently, the case is under the judicial process of the Central Administrative Court.

39.1.3 Dispute in relation to the use of True's name and logo on invoices, tax invoices and receipts

On 13 December 2004 and 11 March 2005, TOT filed an arbitration claim against the Company, claiming for advertising compensation for the unauthorised publication of True's name and logo on TOT's invoices, changing of the invoice pattern, related mailing expense and damages on marketing and image totalling amount of Baht 1,848.95. On 20 September 2013, the Arbitration ruled in favour for TOT force the Company to pay Baht 98.59 million. On 27 December 2013, the Company filed a protest against Arbitration's ruled with the Central Administrative Court. On 14 October 2015, TOT filed a petition to enforce the arbitral award with the Central Administrative Court. Currently, the case is under the consideration of the Central Administrative Court.

39.1.4 Dispute in relation to the Agreement Article 38.

On 15 May 2006, the Company filed an arbitration claim against TOT asking TOT to discontinue using its authority over the Agreement as well as to discontinue using its authority under the agreement from the date on which TOT status was changed and the regulator authority shall be transferred to the Ministry of Transport or the Ministry of Information and Communication Technology. This case is non-monetary claim. On 8 November 2006, the Company filed the other arbitration claim regarding the authorisation limits of TOT on the Agreement Article 38. The two disputes were arbitrated and ruled on 4 September 2014 that TOT used its power under the agreement. Later on 26 November 2014 the Company filed a request to cancel the award to the Central Administrative Court. Later, on 2 May 2016, TOT filed a motion to enforce the arbitral award with the Central Administrative Court and the Central Administrative Court ordered to combine with another case which the Company filed a request to cancel the award to the Central Administrative Court. The case is under the consideration of the Central Administrative Court.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.1 Litigations outstanding at the Administrative Court (Cont'd)

39.1.5 Dispute in relation to revenue sharing under the Agreement.

On 22 January 2008, TOT filed an arbitration claim against the Company for revenue sharing over paid to the Company in the amount of Baht 1,479.62 million plus interest. The Company filed an objection on 18 April 2008. Later, on 26 June 2014, a majority ruled that the Company is obliged to pay Baht 1,217.50 million together with interest at 7.5% per annum from 22 January 2008 until full payment is made to TOT. However, on 7 October 2014, the Company filed a petition to revoke the Award. On 31 March 2016, TOT filed a petition with the Central Administrative Court to enforce the arbitration award. Currently, the case is under consideration by the Central Administrative Court.

The ultimate outcomes of the aforementioned cases are presently unable to be determined, and accordingly, no recognition of provision for possible liabilities have been made in the financial statements unless otherwise stated.

39.2 Arbitration disputes outstanding at the Thai Arbitration Institute

39.2.1 Arbitration cases filed by the Company against TOT

Dispute in relation to revenue sharing collected from international call services.

On 28 January 2005, the Company filed an arbitration claim against TOT regarding the calculation of revenue sharing from international calls under the Joint Operation and Joint Investment Agreement. The Company claimed damages in the amount of Baht 5,000.00 million for failure to obtain the actual number of international incoming calls, and damages of Baht 3,407.68 million for the incorrect calculation. Both amounts are entitled to bear interest. Later, on 28 July 2016, the Company filed a lawsuit for additional compensation from the calculation error amounting to Baht 402.56 million, making the claim to the total of Baht 8,810.25 million. The case is under the arbitration proceedings.

Dispute in relation to revenue sharing collected from international call.

On 25 December 2007, the Company filed an arbitration claim against TOT of Baht 1,968.70 million in respect of revenue sharing collected from international calls whereby TOT failed to deliver to the Company on a tariff stipulated in the agreement. The following are requested of the arbitrator to adjudicate on:

1. Requesting TOT to comply with the Agreement in respect of revenue sharing collected from international call and make payment according to the conditions stipulated in the Agreement.
2. Requesting TOT to pay damages amount of Baht 1,968.70 million.
3. Requesting TOT to apply the rate in calculation of revenue sharing both in-coming and out-going call base on the rate of Baht 6 per minute as stipulated in the Agreement as from September 2007 and onwards.
4. Requesting TOT to pay related interest at the rate stipulated in the Agreement Article 21 (MLR+1) or 7.86% per annum calculated from the amount unpaid from the date of submitting the arbitration claim until full payment has been made.

On 29 April 2008, TOT submitted a statement of objection. However, on 11 July 2013, TOT made a payment of revenue sharing collected from international call for the period of 1 January 2004 to 30 June 2004 amount of Baht 133.16 million. The Company acknowledged receipt the payment and agreed not to claim against the period received. However, the Company retain the right to defend or to restrain the dispute.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.2 Arbitration disputes outstanding at the Thai Arbitration Institute (Cont'd)

39.2.2 Arbitration cases filed by TOT against the Company

Dispute in relation to the lease of telephone conduits.

On 31 May 2005, TOT filed an arbitration claim against the Company seeking an order to pay a rental fee for the lease of telephone conduits at Muang Thong Thani from May 2004 to April 2005 in the amount of Baht 6.72 million plus interest and onwards. The Company submitted a statement of objection on 19 September 2005. The case is currently within the arbitration process.

On 17 February 2014, TOT filed the arbitration claim against the Company claiming for rental fee of lease conduits at Muang Thong Thani for the period from May 2005 to December 2013 amounting to Baht 59.17 million together with related interest. The Company is of the opinion that these conduits are the Company's asset and there should be no rental fee thereon for the usage. The Company filed an objection on 12 September 2014. Currently, the case is being under the arbitration process.

Dispute in relation to TA1234 campaign.

On 30 June 2005, TOT filed an arbitration claim alleging that it suffered damage from the loss of revenue sharing from 16 November 2000 to March 2005 of Baht 15,804.18 million plus interest as a result of the Company's invoices for domestic long distance call services at reduced tariff rates under the Company's "TA 1234" campaign. TOT also sought an order compelling the Company to collect domestic long distance call tariffs at the rates agreed in the Joint Operation and Joint Investment Agreement. On 12 March 2013, TOT made additional claim from April 2005 to 30 June 2005 for additional amount of Baht 1,060.91 million, becoming total claim amount of Baht 16,865.09 million. On 23 September 2016, the Arbitral Tribunal decided that the Company is obliged to pay TOT Baht 1,703.10 million with interest at the rate of 6.69 per annum from 29 May 2005 until full payment is made and to pay TOT a shortage of telephone service revenue of Baht 27.17 million per month with interest at the same rate from the date of filing until the "TA 1234" campaign is cancelled. Currently, the Company is preparing to file a request to revoke the Arbitral award.

Dispute in relation to high speed internet (ADSL) service.

On 28 October 2005, TOT filed an arbitration claim against the Company, claiming that the Company was in breach of the Joint Operation and Joint Investment Agreement by allowing other parties to provide high speed internet service (ADSL). TOT claimed the compensation amount of Baht 2,010.21 million plus interest. In addition, TOT has claimed continuous damages from July 2005 at the rate of Baht 180.00 million per month, plus interest. TOT also requested an order prohibiting the Company from providing ADSL service or allowing any other parties to provide ADSL service. Subsequently, on 6 November 2015, TOT filed the amended to increase claim amount of the damages from the lack of revenue from broadband ADSL services from September 2001 to August 2015 in the amount of Baht 63,457.92 million with interest of Baht 22,748.37 million, totalling amount claim Baht 86,206.29 million. On 29 January 2016, the Company filed an objections to such amendment. The case is currently within the arbitration process.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.2 Arbitration disputes outstanding at the Thai Arbitration Institute (Cont'd)

39.2.2 Arbitration cases filed by TOT against the Company (Cont'd)

Dispute in relation to remuneration of the Gateway for international long distance telephone service.

On 1 August 2011, TOT filed arbitration against the Company claimed for Baht 91.88 million including VAT and interest regarding to the remuneration of the Gateway for international long distance telephone services through code 007 for the period of July 2004 to May 2011. And claim for occurring interest until payment has been made. Moreover, claiming for outstanding invoice for the month of June 2011, plus interest and VAT. On 17 August 2016, the arbitral tribunal rendered the awards and ordered the Company to pay what TOT's claiming for. Later on 31 August 2016, TOT has filed a dispute for Arbitration claiming the Company to pay gateway charges of international long distance telephone services through code 007 amounting to Baht 14.80 million including VAT and interest incurred for the period from July 2011 to May 2016.

Dispute in relation to the numbering fees.

On 21 June 2013, TOT filed arbitration against the Company, claiming for a numbering fee together with VAT of specific period of time with total claim is Baht 539.02 million. On 11 December 2013, the Company file the protest to the arbitration. The dispute is currently in the process of arbitration.

The ultimate outcomes of the aforementioned arbitration are presently unable to be determined, and accordingly, no recognition of revenue or provision for possible liabilities have been made in the financial statements unless otherwise stated.

39.3 Tax disputes

39.3.1 On 13 February 2009, the Company filed a request to the Director General of the Excise Department to make a claim for an excise tax refund for the period between January 2006 to 26 February 2007 in the total amount of Baht 348.87 million on the grounds that the Company is not obligated to pay excise tax. On 24 February 2012, the Excise Department dismissed the Company's appealing process. The Company is entitled to bring the case to the Central Tax Court within 10 years.

39.3.2 On 3 December 2015, a subsidiary filed a request against the Revenue Department with Central Tax Court requested to revoke the tax assessment by the Tax Assessment Officer and to revoke the decision of the Appeals Committee regarding the Tax Assessment Officer has notified the subsidiary to pay withholding tax for the period from 1 January 2003 to 31 December 2007 amounting to Baht 14.97 million claiming that the subsidiary did not follow the rule of withholding tax. On 23 December 2016, the Central Tax Court ordered to dismiss the subsidiary's request. The subsidiary has filed an appeal. Currently, the case is under the consideration of the Central Tax Court.

The ultimate outcomes of the aforementioned cases are presently unable to be determined, and accordingly, no recognition of provision for possible liability has been made in the financial statements.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.4 Litigations and arbitration disputes of subsidiaries

- 39.4.1 In March 2005, a distribution agency appointed by several subsidiaries whose contract had been terminated, filed a civil lawsuit claiming damages up to maximum of Baht 300.00 million from the said subsidiaries, based on alleged breach of the Commercial Dwelling Unit ("CMDU") subscription agreements. Subsequently, on 26 May 2008, the Civil Court ruled in favour of subsidiary and ordered the plaintiff to pay Baht 1.66 million plus interest at 7.5% per annum from the date of counterclaim until completion of payment. The Appeal Court affirmed the judgment of the Civil Court. On 23 June 2014, the plaintiff files to the Supreme Court. In June 2016, the Supreme Court has ruled confirming the judgment of the Appeal Court that the plaintiff is liable to make the payment of Baht 2.20 million with interest at 7.5% per annum from the filing date until payment is completely made. The case is closed.
- 39.4.2 On 13 October 2006, CAT filed an arbitration claim against a subsidiary to claim for a numbering fee amount of Baht 113.58 million. Subsequently, on 15 August 2008, the Arbitration ruled in favour of CAT by ordering the subsidiary to pay of Baht 99.60 million (excluded interest at 7.5% per annum). The subsidiary acknowledged on 24 August 2008. The subsidiary filed the protest with the Central Administrative Court. On 23 February 2011, the Central Administrative Court has judged that the Arbitrator's ruling is illegal. Thus, the Court ordered to repeal that ruling. On 22 March 2011, CAT appealed to the Supreme Administrative Court. Subsequently, on 16 June 2011, CAT filed a petition to the Central Administrative Court to enforce the award of the arbitral tribunal and asked for resolving compliant from the subsidiary. The subsidiary opposed the claim since the award of the arbitral tribunal has been revoked by the Court and being under consideration of the Supreme Administrative Court. CAT is not entitled to file such petition. The case is currently under the judicial process of the Central Administrative Court.
- 39.4.3 On 9 January 2008, CAT filed for arbitration against the subsidiary claiming for shortcomings revenue sharing from the subsidiary including penalties and interest at the total amount of Baht 8,969.08 million. On 16 September 2011, the arbitrator decided to withdraw the claim. Consequently, the subsidiary is not required to pay the claim. On 25 November 2011, CAT has filed a petition to revoke the arbitration award with the Central Administrative Court. On 22 July 2014, the Central Administrative Court has ruled to revoke CAT's appealing. Consequently, CAT has appealed further to the Supreme Administrative Court. Currently, the case is under the process of the Supreme Administrative court.
- 39.4.4 On 19 February 2008, CAT filed an arbitral dispute against a subsidiary claiming for additional revenue sharing amount of Baht 45.95 million. On 6 March 2012, the Arbitrator awarded in favour of CAT by ordering the subsidiary to pay CAT amount of Baht 7.00 million (excluded interest). On 29 June 2012, the subsidiary brought the case to Central Administrative Court. The case is currently under the process of the Central Administrative Court.
- 39.4.5 On 29 January 2009, CAT filed an arbitral dispute against the subsidiary claiming for transfer and conveyance of 4,546 units of masts and towers together with their accessories to CAT. If, in any event, the transfer and conveyance of the subsidiary are impracticable, the subsidiary shall pay to CAT for the amount of Baht 2,766.16 million. The subsidiary filed a statement of objection to the Arbitration Office on 3 September 2009. On 2 August 2013, the arbitration rule to withdraw the case due to CAT's claimant are not in accordance with the agreement for operation signed with the subsidiary. Then, on 12 September 2013, CAT filed a petition to the Central Administrative Court to overrule the arbitral award. On 12 September 2016, the Central Administrative Court granted permission for CAT to withdraw such case and dismissed the case from the Court's directory.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

39.4.6 Pertaining to the dispute between a subsidiary and CAT, where CAT claims for Baht 1,445.00 million (Baht 1,204.00 million and Baht 241.00 million) for the licence fee, numbering fee, additional minimum payment and excised tax under the Marketing Service Agreement for Cellular Digital AMPS 800 Band A system, on 11 September 2015, the Arbitrators ruled to revoke all CAT's applications for the claim amount of Baht 1,204.00 million together with the subsidiary's counter claim of Baht 2,544.72 million. On 28 August 2015, the Central Administrative Court rejected CAT's petition against the arbitrator award and disposed the petition. On 25 December 2015, CAT Telecom filed a lawsuit to revoke the award with the Central Administrative Court. The case is under considered by the Central Administrative Court.

On 13 August 2015, the Arbitrators ordered the subsidiary to pay Baht 91.83 million plus interest at 7.5% per annum for the claim amount of Baht 241.00 million being the fine for delay in monthly invoicing payment under the aforementioned agreement, and revoked all other claims within this category. The subsidiary has made full provision for Baht 91.83 million. On 25 November 2015, the subsidiary filed petition with the Central Administrative Court to revoke the Arbitral award. The case is currently under the Central Administrative Court's process.

39.4.7 On 15 May 2009, CAT filed an arbitral dispute against the subsidiary claiming for reimbursement of numbering fee for four-digit special number "1331", which CAT paid to NTC, for the amount of Baht 3.96 million plus 7.5% per annum interest, value added tax, 1.25% per month stipulated penalty and fees and costs resulting from arbitral process. The claimed penalty would be in effect from the date that CAT had paid the numbering fee to NTC to the date that the subsidiary fully reimbursed to CAT. The subsidiary made a statement of objection on 11 December 2009. On 7 September 2016, the Arbitral Tribunal decided in favour of subsidiary by dismissing CAT's statement of claims.

39.4.8 On 16 June 2010, a person who represent the foreign Pay-TV company filed against a subsidiary jointly with a group of person with the Civil Court claimed for damage of Baht 660.00 million. Subsequently, the Court of First Instance and the Court of Appeal ruled to dismiss the case due to the expiration of the case. The plaintiff filed petition on 7 February 2013. Later, on 11 December 2014, the Supreme Court ruled that the lawsuit's prescription has over and dismissed from the Court. It was later found that the plaintiff filed another appeal, the Supreme Court order the Appeal Court to reconsider that appeal and order the subsidiary to file the objection. Finally, the plaintiff brought the case to the Supreme Court. Currently, the case is under the consideration of the Supreme Court.

39.4.9 On 25 February 2011, CAT has filed an arbitration against a subsidiary claiming for the minimum bank guarantee amount of Baht 646.00 million and Baht 679.00 million, totalling of Baht 1,325.00 million for the 14th - 15th year of operation. On 7 October 2011, the subsidiary has made a counterclaim against CAT request for returning a minimum bank guarantee for 11th to 13th year and claim the amount of Baht 56.19 million. On 30 August 2013, CAT filed an arbitration request for bank guarantee for 16th - 17th year of operation. On 18 June 2013, a subsidiary made a statement of objection. On 24 September 2015, the majority of Arbitrators ruled to revoke CAT's applications and order CAT to pay an amount of Baht 60.46 million plus interest at 7.50% per annum of the subsidiary's damages, and CAT to compensate the subsidiary for the bank guarantee fee during the year of operation 11th - 13th at 2.00% per annum of guarantee amount which is Baht 26.20 million per year plus interest at 7.50% per annum until the bank guarantees are returned. In this regard, CAT filed with the Central Administrative Court to revoke the Arbitral award. On 1 November 2016, the subsidiary submitted the request with the Central Administrative Court to force CAT according to the Arbitral award. Currently, the cases are under the consideration of the Central Administrative Court.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

- 39.4.10 On 8 September 2011, CAT filed an arbitration claim against the subsidiary regarding revenue sharing amount of Baht 11,946.15 million. The case is currently in the arbitration process.
- 39.4.11 On 23 July 2001, a subsidiary, as a jointly defendant was filed by a common person with the Civil Court claiming for breach of brokerage agreement requested amount of Baht 438.58 million. On 29 September 2015, the Supreme Court ruled and dismissed the subsidiary from the case. The case was closed.
- 39.4.12 On 14 September 2011, the dispute between a subsidiary and NBTC as its regulator, regarding the collection of information and detail of pre-paid mobile telephone customer and charge for administrative fine at Baht 80,000 per day within 30 days from the receiving of notification date. On 3 March 2014, the subsidiary paid Baht 34.96 million as the administrative fine of Baht 80,000 per day calculated from 6 July 2012 to 15 September 2013. However, the aforementioned payment should not be interpreted that the administrative order and fine are lawful. If the final judgement is in favour of the subsidiary, the subsidiary shall redeem the amount paid from NBTC. On 12 May 2016, the Central Administrative Court ruled in favour of subsidiary. However, the case is still pending at the Central Administrative Court.
- 39.4.13 On 8 May 2012, a subsidiary has requested NBTC and the Secretary of the NBTC to revoke the order and the resolution of the NBTC that prohibit any prepaid mobile phone operators to offer promotion in any manner which forces the customers to use the service within the specified period (Validity) and sought for court order to determine measures and procedures for the temporary relief before the final judgment is delivered. Meanwhile, the Secretary of NBTC issued a letter requesting the subsidiary to revise conditions of service of prepaid mobile phone so that there is no provision in any manner which forces the customer to use the services within a specified period and shall not include conditions that force users to use the service within the period. On 31 May 2012, the Secretary of NBTC issued another letter to the subsidiary order a penalty for an administrative fine at the rate of Baht 100,000 per day since 30 May 2012 onwards. However, subsidiary submitted appealing to retain from the administrative fine of the Secretary of NBTC. The result was that the subsidiary still have to pay the penalty. The amount of penalty during 30 May 2012 to 18 January 2013 totaling Baht 23.30 million. On 10 January 2013, the subsidiary filed a lawsuit against Secretary of the NBTC with Central Administrative Court to revoke the order of administrative fine and requested for the temporary relief before the judgement. Subsequently, NBTC agreed upon the term of providing mobile service to the prepaid customer proposed by the subsidiary and cease an administrative fine commencing 18 January 2013. On 20 February 2014, the subsidiary paid Baht 23.30 million as administrative fine. However, the aforementioned payment should not be interpreted that the administrative order and fine are lawful. If the final judgement is in favour of the subsidiary, the subsidiary shall redeem the amount paid. On 27 October 2016, the Central Administrative Court decided to dismiss the lawsuit. Later on 24 November 2016, the subsidiary filed an appeal with the Supreme Administrative Court. Currently, the case is under the consideration of Supreme Administrative Court.
- 39.4.14 On 28 February 2013, CAT filed for arbitration against the subsidiary claiming for additional revenue sharing for the 15th year of operation for the amount of Baht 1,571.60 million due to the inappropriate calculation. On 1 September 2015, the majority of Arbitrators ruled in CAT's favour, ordering the subsidiary to pay for the amount of Baht 1,571.60 million plus surcharge of 15.00% per annum on that amount commencing 14 December 2011 until the completion of payment. The subsidiary file a petition to revoke against the Arbitrators' ruling with the Central Administrative Court on 4 December 2015. Currently, the case is under the Central Administrative Court's process.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

- 39.4.15 On 22 April 2013, CAT filed for arbitration against the subsidiary requested for transferring the passive type of telecommunication infrastructure or a compensation amounting to Baht 821.14 million in case of failure to transfer. The subsidiary filed protest on 28 August 2013. Currently, the case is under the arbitration process.
- 39.4.16 On 30 August 2013, CAT filed for arbitration against the subsidiary claiming for additional revenue sharing for the 16th year of operation for the amount of Baht 2,441.69 million due to the inappropriate calculation. Currently, the case is under the arbitration process.
- 39.4.17 On 12 November 2013, CAT filed for arbitration against the subsidiary requested for transferring of 59 generator stations or compensation amount to Baht 39.57 million in case of failure to transfer. Currently, the case is under the arbitration process.
- 39.4.18 The dispute between CAT and a subsidiary, where CAT claims under the Marketing Service Agreement for Cellular Digital AMPS 800 Band A system. On 20 February 2014, HCAT, a subsidiary has requested through the Civil Court to issue an order not allowing CAT to force payment from bank guarantees given by the subsidiary and CAT shall pay the damages amounting of Baht 63.02 million to HCAT. The Civil Court ordered CAT not to claim against the guarantor bank until the case has been finalised. The judicial district for the case is fall under the Central Administrative Court. On 20 March 2014, CAT has filed against HCAT and BFKT with the Central Administrative Court requiring compensation amounting to Baht 1,576.19 million claiming for breach of various contracts. Later on, the Central Administrative Court ordered to combine both claims by CAT and the subsidiary. Currently, the case is under the consideration of Central Administrative Court.
- 39.4.19 On 20 May 2015 and 11 September 2015, CAT filed against a subsidiary claiming that the subsidiary uses the telecommunication equipment that was already transferred to CAT under the Build-Transfer-Operate Agreement of nationwide cellular 1800 MHz. network on 16 September 2013, the Agreement expiry date, without entering into any new arrangement with CAT. The claimed amount for using the telecommunication equipment is Baht 23,016.51 million from the Agreement expiry date to 16 July 2015, the period that NBTC required the subsidiary to act as a caretaker to continue providing mobile services under the 1800 MHz. spectrum and the two-year extension period announced by National Council for Peace and Order ("NCPO"). Currently, the case is under the Central Administrative Court.

On 27 May 2016, CAT filed a lawsuit with the Central Administrative Court against a subsidiary claiming of Baht 2,206.04 million for ineligible uses of telecommunication equipment that were transferred to CAT after an expiration of concession. The claimed period from 18 July 2015 to 3 December 2015 was the period that NBTC required the subsidiary to act as a caretaker to continue providing mobile service and extended period announced by National Council for Peace and Order ("NCPO"). The case is currently under the Central Administrative Court.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

39.4.20 On 17 November 2015, a subsidiary filed a case against the NBTC, NTC, Office of the NBTC and The Secretary General of the NBTC with the Central Administrative Court requested to revoke the NTC's resolution that ordered the subsidiary to pay Baht 1,069.98 million, an assumed revenue occurred during caretaker period from 16 September 2013 to 17 July 2014. In addition, the subsidiary requested to reimburse cost of providing service incurred during such period from those aforementioned parties amounting to Baht 16,074.10 million and also claimed a numbering fee paid to NBTC by mislead after the expiring of the Agreement per 39.4.19 amounting to Baht 190.97 million. On 13 May 2016 the NBTC filed a petition with the Central Administrative Court requested to temporarily dismiss the case for reviewing. The subsidiary filed a statement of objection to such petition with the Central Administrative Court on 15 June 2016. Currently, the case is under the Central Administrative Court's process.

On 2 November 2016, the subsidiary filed a lawsuit with the Central Administrative Court against NBTC, the office and NBTC Secretary General. The subsidiary claimed for reimbursement of expenses incurred from providing mobile service during the caretaking period from 1 November 2015 to 3 December 2015 amounting to Baht 709.65 million. The case is currently under the consideration of Central Administrative Court.

39.4.21 On 29 December 2015, CAT filed a lawsuit with the Central Administrative Court against a subsidiary claiming for Baht 83.94 million, including interest at 7.5% calculate from the date of filing until the payment is made, accusing the subsidiary illegally install its telecommunication equipments connected to CAT's premises. Currently, the case is under consideration of Central Administrative Court.

39.4.22 On 18 January 2016, a subsidiary filed an arbitral dispute against CAT claiming of Baht 11,827.67 million for the 11th - 17th of operation year of the concession agreement, with interest at the rate 15% per annum from the date of submission of the dispute until the payment has been made. The charge was based on an over payment of revenue sharing due to the interconnection charge revenues (IC) were incorporated in revenue sharing calculation. The interconnection charge revenues are not subjected to be shared with CAT according to the relevant agreement. The case is currently under the Arbitration process.

39.4.23 On 15 March 2016, CAT filed an arbitral dispute against a subsidiary claiming for Baht 2,596.51 million for additional revenue sharing for the 17th year of operation from an inappropriate calculation of revenue sharing. The case is currently under the Arbitration process.

39.4.24 On 31 March 2016, NBTC filed a lawsuit against a subsidiary claiming for Baht 878.38 million for mobile numbering fees and additional numbering fees for the service period from March 2014 to December 2015, the period in which a resolution of the NBTC regarding to i) protect the consumers in the event of termination of concession for contract cell phone provider in 2013, and ii) protect the consumer in the event of termination of concession for contract cell phone provider while the orders of the National Council for Peace and Order (NCPO) No. 94/2557 was in effect. Currently, the case is under the consideration of Central Administrative Court.

39.4.25 On 7 April 2016, CAT filed a lawsuit against a subsidiary claiming for Baht 22,972.07 million for domestic roaming used by the subsidiary during 27 April 2011 to 15 November 2015. Currently, the case is under the consideration of Central Administrative Court.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

- 39.4.26 On 28 April 2016, CAT filed a lawsuit against a subsidiary claiming for Universal Service Obligation fees ("USO") that CAT had prepaid to the NBTC under the Universal Service Obligation regulation announced by NTC. The claimed amount of USO fee for the period from 3 August 2005 to 30 June 2013 is amounting to Baht 501.34 million (value added tax and interest at 7.5% per annum from the default date, 16 August 2014, to the filing date are included). In addition, CAT also claimed for CDMA service charges amounting to Baht 509.38 million (value added tax and interest at 7.5% per annum from the default date to the filing date are included) for the period from January 2012 to 26 April 2013, and the marketing fee amounting to Baht 2.66 million (value added tax and interest are included). Total claim amount is Baht 1,013.38 million. Currently, the case is under the consideration of Central Administrative Court.
- 39.4.27 On 21 July 2016, CAT filed a lawsuit with Central Administrative Court against a subsidiary claiming for Baht 19,500.17 million (included interest) for the wholesale fees under HSPA agreement. The case is under consideration of the Central Administrative Court.
- 39.4.28 On 5 August 2016, NBTC filed a lawsuit with the Central Administrative Court against a subsidiary claiming for Baht 1,150.66 million regarding the revenue earned from 1800MHz. mobile service during the caretaking period from 16 September 2013 to 17 July 2014. Currently, the case is under consideration of the Central Administrative Court.
- 39.4.29 On 11 August 2016, CAT filed an arbitration against a subsidiary demanding the subsidiary to remove the third party's telecommunications equipment installed or connected to the assets under the agreement for operation between CAT and the subsidiary. Otherwise, the subsidiary has to compensate for the use of those assets amounting to Baht 417.66 million. The case is currently under the arbitration process.
- 39.4.30 On 17 August 2016, two subsidiaries filed lawsuits with the Central Administrative Court against the NBTC and others for the delay of duty or ignoring to perform a duty including with intention or reckless in providing an incorrect information or impractical information considering as a wrongful act causing the subsidiary believed and by misunderstanding of fact, bid for the digital TV license. The two subsidiaries claimed for damages of Baht 6,737.80 million. The case is in proceedings of the Central Administrative Court.
- 39.4.31 On 4 November 2016, the subsidiary filed a lawsuit with the Civil Court against CAT claiming of Baht 30,680.24 million damages caused by the fact that CAT could not provide mobile numbering according to the conditions stipulated in the HSPA wholesale agreement. The case is under the consideration of the Civil Court.

The ultimate outcome of the aforementioned cases cannot presently be determined, and accordingly, no provision for possible liability has been made in the financial statements except indicated thereon.

True Corporation Public Company Limited
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For the year ended 31 December 2016

40. Access charges

40.1 The Company's access charges

On 21 August 2002, the Company filed an arbitration claim regarding a dispute arising from the wireline Agreement between the Company and TOT. The terms of the wireline Agreement provided that the Company is entitled to additional considerations from TOT if TOT provides or allows any third parties to provide "special services" over the network. TOT allowed CAT and other mobile telecommunications service providers to use this network for mobile telecommunications services and obtained access charges from CAT and the other mobile telecommunications service providers. However, TOT disagreed that the use of the Company's wireline network for mobile telecommunications services was a "special service" and therefore refused to provide the Company with the additional considerations. The Company claimed for its portion of revenue sharing regarding access charges received by TOT starting from October 1992 to June 2003 amount of Baht 25,419.40 million. On 21 February 2006, the Arbitration delivered to the Company rulings of the arbitration dated 17 January 2006. The arbitral rulings are as follows:

1. The Company is entitled to benefits derived from TOT's provisions of special services on the Company's network or from TOT's permission for other parties to provide special services on the Company's network.
2. With respect to benefits from the beginning until 22 August 2002, TOT must pay the Company the sum of Baht 9,175.82 million plus interest at the rate of 7.5% per annum from 22 August 2002. The payment must be made within 60 days from the receipt of the arbitral award. TOT has not paid any amount. The claimed amount on 31 December 2011 is Baht 15,620.26 million.
3. As from 23 August 2002, TOT must pay to the Company 50% of the benefit derived by TOT from the portion accessing to the Company's network.

On 20 April 2006, TOT filed a motion with the Central Administrative Court requesting an order to withdraw the arbitral award. Subsequently, on 19 September 2006, the Company submitted a statement of objection to the Central Administrative Court, and the court accepted the Company's statement of objection for consideration on 28 September 2006. On 8 May 2008, the Company as the petitioner requested the Central Administrative Court for the execution of the Arbitration's ruling. The court ordered to combine the case which TOT requested to repeal the execution for Arbitration's ruling. The case is currently in the judicial process of the Central Administrative Court.

On 19 September 2012, the Central Administrative Court has ruled in favour of TOT, by revoking the ruling of the arbitration dated 17 January 2006. On 18 October 2012, the Company appealed against the ruling of the Central Administrative Court with the Supreme Administrative Court. The case is under the Supreme Administrative Court process.

On 19 August 2016, the Supreme Administrative Court ruled by confirming the judgment of the Central Administrative Court to revoke the Arbitral award. Later, the Company filed an application for a new trial and judgement with the Supreme Administrative Court. The case is under the consideration of the Supreme Administrative Court.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

40. Access charges (Cont'd)

40.2 A subsidiary's access charges

On 5 October 2006, a subsidiary issued a letter to TOT requesting it to enter into negotiation regarding the interconnection agreement ("IC") between its network and TOT's network. On 17 November 2006, the subsidiary issued a written notification informing TOT and CAT that it will cease payment of access charge under the Access Charge Agreement on the basis that the rate and the collection of access charge under the Access Charge Agreement were contrary to the law in a number of respects. The subsidiary also requested TOT to enter into the interconnection charge agreement to be in compliance with the law or temporarily apply the provisional rate announced by the NTC while the negotiations on the interconnection agreement with TOT has not been concluded.

However, on 23 November 2006, TOT issued a letter informing the subsidiary that the subsidiary was not entitled to interconnect its network with the TOT network because the subsidiary was not a telecommunications licensee, as granted by the NTC, and did not have its own telecommunications network. TOT also disputed that the Access Charge Agreement did not violate any law and that the rate and the collection of access charge under the Access Charge Agreement continuously prevail.

Pertaining to the NTC's announcement regarding the dispute resolution in respect of uses and interconnection of telecommunication network (IC), the subsidiary has brought the dispute to the Dispute Resolution Committee ("DRC") on 29 June 2007, requesting TOT to enter into the contract in relation to interconnection (IC). The DRC considered this and NTC deemed that the subsidiary is entitled to negotiate with TOT regarding the interconnection contract (IC) on 21 November 2007 and 28 November 2007, respectively. On 23 June 2008, subsequently, TOT agreed to enter into the interconnection charge agreement (IC) with the subsidiary on the condition that specific only the new numbers allocated by NTC. The subsidiary notified to agree with TOT's offering. For the old numbers, the subsidiary will carry on the case and depend on judgment of the Civil Court.

On 16 November 2007, TOT filed a lawsuit against the subsidiary with the Civil Court, claiming violation of the access charges contract (agreement) and requested for access charges payment amount of Baht 4,508.10 million with related interest and value added tax. On 16 September 2009, the Civil Court and the Central Administrative Court agreed that the case was within the Central Administrative Court's jurisdiction and thus, struck the case out of the case-list.

On 9 May 2011, TOT filed a lawsuit with Central Administrative Court against CAT jointly with a subsidiary claiming for an access charge amounting of Baht 41,540.27 million.

On 31 July 2014, TOT has amended the claim amount to Baht 59,628.00 million plus interest from the initial filing date until the payment is made. The case is currently in the judicial of the Central Administrative Court.

If the subsidiary has to pay such access charges, the subsidiary would record additional expense and be liable to accrue additional access charges for the period from 18 November 2006 to 15 September 2013 are as follows:

	Accrued access charges Million Baht	Net effect to the consolidated profit or loss, net of revenue sharing to CAT Million Baht
For the period from 18 November 2006 to 15 September 2013	32,344.56	23,762.55

The management and its external lawyer have opined that the subsidiary would not be liable to pay the said access charges.

The ultimate outcomes of the aforementioned cases are presently unable to be determined, and accordingly, no recognition of revenue and provision for possible liability has been made in the financial statements.

True Corporation Public Company Limited
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41. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries, joint ventures and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

CP Group of companies is the major shareholder of the Company.

The following transactions were carried out with related parties:

i) Sales of goods and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Sales of goods:				
Subsidiaries	-	-	-	-
Associates	1.37	8,140.29	-	8,137.91
Related company				
CP Group of companies	1,725.69	1,234.37	-	-
	<u>1,727.06</u>	<u>9,374.66</u>	<u>-</u>	<u>8,137.91</u>
Sales of services:				
Subsidiaries	-	-	5,093.92	5,229.01
Joint ventures	1.23	3.65	-	-
Associates	743.53	631.21	-	-
Related company				
CP Group of companies	1,086.80	1,172.34	32.95	53.13
China Mobile Group of companies	141.81	99.07	-	-
	<u>1,973.37</u>	<u>1,906.27</u>	<u>5,126.87</u>	<u>5,282.14</u>

As at 31 December, 2016 the Group holds a 9.42% (2015: 9.42%) equity interest in NEC Corporation (Thailand) Co., Ltd.

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41. Related party transactions (Cont'd)

ii) Purchases of goods and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Purchases of goods:				
Subsidiaries	-	-	-	86.59
Related company				
CP Group of companies	4,793.26	6,283.22	-	1,207.63
	<u>4,793.26</u>	<u>6,283.22</u>	<u>-</u>	<u>1,294.22</u>
Purchases of services:				
Subsidiaries	-	-	1,004.37	860.57
Joint ventures	2.24	5.35	-	-
Associates	5,520.31	5,001.73	-	-
Related companies				
CP Group of companies	6,058.81	5,105.68	443.18	434.99
China Mobile Group of companies	44.54	43.06	-	-
NEC Corporation (Thailand) Co., Ltd.	0.29	0.30	-	0.04
	<u>11,626.19</u>	<u>10,156.12</u>	<u>1,447.55</u>	<u>1,295.60</u>

iii) Outstanding balances arising from sales and purchases of goods and services

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht Million	Baht Million	Baht Million	Baht Million
Receivables from related parties:				
(included in "Trade accounts receivable" (Note 17))				
Subsidiaries	-	-	6,043.19	2,597.40
Joint venture	0.15	3.38	-	0.03
Associates	86.59	30.64	-	-
Related companies				
CP Group of companies	7,629.14	8,695.74	133.71	107.31
China Mobile Group of companies	157.25	75.13	-	-
NEC Corporation (Thailand) Co., Ltd.	-	0.18	-	-
	<u>7,873.13</u>	<u>8,805.07</u>	<u>6,176.90</u>	<u>2,704.74</u>
Payables to related parties:				
(included in "Trade and other payables")				
Subsidiaries	-	-	733.17	330.34
Joint venture	3.49	21.99	-	-
Associates	315.85	315.89	-	-
Related company				
CP Group of companies	3,419.11	6,963.03	74.31	212.61
China Mobile Group of companies	21.16	18.63	-	-
	<u>3,759.61</u>	<u>7,319.54</u>	<u>807.48</u>	<u>542.95</u>

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41. Related party transactions (Cont'd)

iv) Loans to related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Loans to related parties				
Current	147.00	147.00	3,000.00	19,815.00
Total	147.00	147.00	3,000.00	19,815.00

Movement of loans to related parties can be analysed as follows:

As at 31 December	Consolidated financial statements Baht Million	Separate financial statements Baht Million
For the year ended 31 December 2016		
Opening net book value	147.00	19,815.00
Additions		
- Principal	0.30	27,920.00
Payment received		
- Principal	(0.30)	(44,735.00)
Closing net book value	147.00	3,000.00

The outstanding loan to related party in the consolidated financial statements as at 31 December 2016 is a loan to CP Group of companies for Baht 147.00 million (2015: Baht 147.00 million), which were call promissory notes bearing interest at MLR per annum.

The consolidated and the Company related interest income for the year ended 31 December 2016 were Baht 10.91 million and Baht 416.01 million, respectively (2015: Baht 11.13 million and Baht 569.55 million, respectively).

v) Loans from related party

As at 31 December	Separate financial statements	
	2016 Baht Million	2015 Baht Million
Current	-	555.00
Total	-	555.00

Movement of loans from related party can be analysed as follows:

For the year ended 31 December 2016	Separate financial statements Baht Million
Opening net book value	555.00
Additional borrowings	3,980.00
Repayment	(4,535.00)
Closing net book value	-

The interest expense in connection with these loans in the company financial statement for the year ended 31 December 2016 was Baht 6.29 million (2015: Baht 129.50 million).

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41. Related party transactions (Cont'd)

vi) Interest receivable arising from loans to related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht Million	2015 Baht Million	2016 Baht Million	2015 Baht Million
Interest receivable: (included in "Trade and other receivables")				
Related companies	42.43	35.16	-	0.07
	42.43	35.16	-	0.07

vii) Directors and key management's remuneration

The total remuneration of the directors and the key management of the Group and the Company were Baht 260.67 million and Baht 197.30 million, respectively (2015: Baht 361.21 million and Baht 302.28 million, respectively).

The post retirement benefit for directors and senior executive is Baht 9.72 million (2015: Baht 7.62 million).

viii) Dividends received

During 2016, the Company received dividends from an associate and subsidiaries of Baht 1,556.87 million and Baht 400.63 million, respectively (2015: Baht 1,516.05 million and nil, respectively). Dividends were recognised as "Dividends income" under "Other income" in the Company profit or loss and recognised directly to investment in associate in the consolidated financial statements. During 2015, a subsidiary received dividends from other company amounting to Baht 40.81 million.

42. Dividends

At the Annual General Meeting of shareholders for the year 2016 dated 8 April 2016, the shareholders had passed a resolution to approve payment of dividends totalling Baht 1,640.53 million in form of share dividends at the ratio of 200 existing shares per 3 dividend shares, totalling Baht 1,476.34 million, and in form of cash at Baht 0.00667 per share, totalling Baht 164.19 million. The Company distributed the aforementioned dividends on 4 May 2016.



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